WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Contents

ATA Group, LLP
CPAs and Advisors
"Accounting, Tax, Assurance"

Independent Auditor's Report

Board of Trustees
Winnetka-Northfield Public Library District
Winnetka, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winnetka-Northfield Public Library District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 Winnetka-Northfield 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 the 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 the 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 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, individually 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 accepting 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 Winnetka-Northfield 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 Winnetka-Northfield 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 7 and 28 through 33 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 Winnetka-Northfield Public Library District's basic financial statements. The Supplementary Information, as listed 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 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 aforementioned information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

ATA Group, LLP

December 4, 2023

Management's Discussion and Analysis

As management of Winnetka-Northfield Public Library District, this narrative overview and analysis is provided of the District's financial activities for the fiscal year ending June 30, 2023. We recommend readers consider this information in conjunction with the financial statements as a whole.

Required Financial Statements

Fund and government-wide financial statements are combined on pages 8 and 9.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They are prepared using the modified accrual basis of accounting.

The Statement of Net Position presents information on all the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year.

Fund financial statements tell how library services were paid for as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's major funds and the total of all other funds.

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of IMRF pension information, other post-employment benefit information, and a comparison of budget to actual revenues and expenditures for the general fund.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Winnetka-Northfield Public Library District, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by $12,724,255 and $12,474,670 for the years ended June 30, 2023 and 2022, respectively. A large portion of the District's net position reflects its net investment in capital assets. The District uses these capital assets to provide services and consequently these assets are not available to liquidate liabilities or for other spending.

For the years ended June 30, 2023 and 2022, the District's net position increased by $249,585 and $1,550,229, respectively.

Condensed Statement of Net Position

	June 30, 2023	June 30, 2022
Current Assets	$ 10,231,524	$ 9,694,673
Net Pension Asset	-	1,753,812
Right-to-Use Lease Assets, net	115,567	214,327
Capital Assets, net of accumulated depreciation	5,077,462	4,828,948
Total Assets	15,424,553	16,491,760
Deferred Outflows of Resources	719,481	122,610
Current Liabilities	158,122	208,533
Non-Current Liabilities	622,325	362,408
Total Liabilities	780,447	570,941
Deferred Inflows of Resources	2,639,332	3,568,759
Net Position		
Net Investment in Capital Assets	5,080,960	4,832,131
Restricted	168,302	2,031,476
Unrestricted	7,474,993	5,611,063
Total Net Position	$ 12,724,255	$ 12,474,670

Condensed Statement of Activities

	For Years Ended June 30, 2023	For Years Ended June 30, 2022
Revenues		
Property Taxes	$ 4,504,796	$ 4,590,533
Personal Property Replacement Taxes	115,954	102,593
Per Capita Grant	27,250	27,233
Kenilworth Service Contract	143,335	126,214
Fines, Fees and Services	9,863	10,067
Interest Income	154,965	30,966
Contributions	22,050	22,750
Other Revenue	1,446	2,134
Total Revenues	4,979,659	4,912,490
Expenses		
Personnel	2,088,738	1,809,859
FICA	127,463	121,036
Library Materials and Services	438,263	416,831
Computer Services	198,849	132,295
Administrative	332,853	275,409
Capital Outlay	43,906	148,312
Insurance	30,726	23,180
Maintenance	168,268	159,156
Right-to-Use Lease Interest Payments	6,896	10,729
Retirement	552,787	(433,495)
Audit	12,950	12,400
Right-to-Use Lease Asset Amortization	98,760	90,115
Depreciation	629,615	596,434
Total Expenses	4,730,074	3,362,261
Increase in Net Position	249,585	1,550,229
Net Position, Beginning of Year	12,474,670	10,924,441
Net Position, End of Year	$ 12,724,255	$ 12,474,670

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

Governmental Funds	Fund Balance June 30, 2022	Increase (Decrease)	Fund Balance June 30, 2023
General	$ 3,231,866	$ 950,113	$ 4,181,979
Special Reserve	3,733,624	(316,000)	3,417,624
Building & Equipment Maintenance	146,176	(109,372)	36,804
IMRF	61,112	(667)	60,445
Unemployment Insurance	53,506	677	54,183
	$ 7,226,284	$ 524,751	$ 7,751,035

During the year, $316,000 was transferred from the Special Reserve Fund to the General Fund in order to fund the acquisition of land for Library Park.

Budgetary Highlight

The District's General Fund expended $4,102,042 which was $2,652,086 less than the appropriation of $6,754,128.

Capital Assets and Debt Administration

The following is a summary of capital assets:

	June 30, 2023	June 30, 2022
Land	$ 349,666	$ 33,666
Construction in Progress	217,419	57,875
Building and Improvements	7,609,634	7,587,946
Furniture and Equipment	485,405	416,429
Computer Equipment	65,346	191,494
Books and Library Materials	1,949,535	2,063,917
Cost of Capital Assets	10,677,005	10,351,327
Less Accumulated Depreciation	5,599,543	5,522,379
Net Capital Assets	$ 5,077,462	$ 4,828,948

Capital asset acquisitions during the year included land of $316,000, library materials of $443,478, building improvements of $21,688, a checkout station and other equipment of $44,398 and computer equipment of $25,149. In addition, the District started security improvements at the Winnetka branch and an expansion project at the Northfield branch, of which $7,878 and $19,538 has been paid as of June 30, 2023, respectively. Additional information regarding the District's capital assets can be found in Note 4, on page 17.

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 Executive Director, Winnetka-Northfield Public Library District, 768 Oak St., Winnetka, Illinois 60093.

WINNETKA-NORTHFIELD 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 12)	STATEMENT OF NET POSITION
ASSETS						
Cash and Cash Investments	$ 4,301,045	$ 3,417,624	$ 153,419	$ 7,872,088	$ -	$ 7,872,088
Property Taxes Receivable	2,312,303	-	10,064	2,322,367	-	2,322,367
Other Receivables and Assets	36,374	-	695	37,069	-	37,069
Right-to-Use Lease Assets, Net of Accumulated Amortization	-	-	-	-	115,567	115,567
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	5,077,462	5,077,462
Total Assets	6,649,722	3,417,624	164,178	10,231,524	5,193,029	15,424,553
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows Related to Pensions	-	-	-	-	719,481	719,481
Total Assets and Deferred Outflows of Resources	$ 6,649,722	$ 3,417,624	$ 164,178	$ 10,231,524	$ 5,912,510	$ 16,144,034
LIABILITIES						
Accounts Payable	$ 91,133	$ -	$ 2,682	$ 93,815	$ -	93,815
Accrued Payroll	64,307	-	-	64,307	-	64,307
Long-Term Liabilities						
Due within one year	-	-	-	-	108,081	108,081
Due after one year	-	-	-	-	514,244	514,244
Total Liabilities	155,440	-	2,682	158,122	622,325	780,447
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Related to Pensions	-	-	-	-	316,965	316,965
Deferred Property Tax Revenue	2,312,303	-	10,064	2,322,367	-	2,322,367
Total Liabilities ad Deferred Inflows of Resources	2,467,743	-	12,746	2,480,489	939,290	3,419,779
FUND BALANCES / NET POSITION						
Fund Balances						
Restricted for Statutory Purposes	16,870	-	151,432	168,302	(168,302)	-
Committed for Capital Projects	-	3,417,624	-	3,417,624	(3,417,624)	-
Unassigned	4,165,109	-	-	4,165,109	(4,165,109)	-
Total Fund Balances	4,181,979	3,417,624	151,432	7,751,035	(7,751,035)	-
Total Liabilities, Deferred Inflows and Fund Balances	$ 6,649,722	$ 3,417,624	$ 164,178	$ 10,231,524		
Net Position						
Net Investment in Capital Assets					5,080,960	5,080,960
Restricted					168,302	168,302
Unrestricted					7,474,993	7,474,993
Total Net Position					$ 12,724,255	$ 12,724,255

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

WINNETKA-NORTHFIELD 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 12)	STATEMENT OF ACTIVITIES
REVENUES						
Property Taxes	$ 4,261,292	$ -	$ 243,504	$ 4,504,796	$ -	$ 4,504,796
Personal Property Replacement Taxes	115,954	-	-	115,954	-	115,954
Per Capita Grant	27,250	-	-	27,250	-	27,250
Kenilworth Service Contract	143,335	-	-	143,335	-	143,335
Fines, Fees and Services	9,863	-	-	9,863	-	9,863
Interest Income	154,965	-	-	154,965	-	154,965
Contributions	22,050	-	-	22,050	-	22,050
Other Revenue	1,446	-	-	1,446	-	1,446
Total Revenues	4,736,155	-	243,504	4,979,659	-	4,979,659
EXPENDITURES / EXPENSES						
Personnel	2,054,527	-	-	2,054,527	34,211	2,088,738
FICA	127,463	-	-	127,463	-	127,463
Library Materials and Services	691,738	-	-	691,738	(253,475)	438,263
Computer Services	388,852	-	-	388,852	(190,003)	198,849
Administrative	332,853	-	-	332,853	-	332,853
Capital Outlay	462,933	-	12,514	475,447	(431,541)	43,906
Insurance	30,726	-	-	30,726	-	30,726
Maintenance	-	-	171,378	171,378	(3,110)	168,268
Right-to-Use Leases Principal Payments	-	-	99,075	99,075	(99,075)	-
Right-to-Use Leases Interest Payments	-	-	6,896	6,896	-	6,896
Retirement	-	-	63,003	63,003	489,784	552,787
Audit	12,950	-	-	12,950	-	12,950
Right-to Use Lease Assets Amortization	-	-	-	-	98,760	98,760
Depreciation and Loss on Disposal of Asset	-	-	-	-	629,615	629,615
Total Expenditures / Expenses	4,102,042	-	352,866	4,454,908	275,166	4,730,074
Excess (Deficiency) of Revenues Over (Under) Expenditures	634,113	-	(109,362)	524,751	(275,166)	-
OTHER FINANCING SOURCES (USES)						
Operating Transfers In (Out)	316,000	(316,000)	-	-	-	-
Net Change in Fund Balances	950,113	(316,000)	(109,362)	524,751	(524,751)	-
Change in Net Position	-	-	-	-	249,585	249,585
FUND BALANCES / NET POSITION						
Beginning of Year	3,231,866	3,733,624	260,794	7,226,284	5,248,386	12,474,670
End of Year	$ 4,181,979	$ 3,417,624	$ 151,432	$ 7,751,035	$ 4,973,220	$ 12,724,255

The accompanying notes are an integral part of these financial statements

Note 1: Summary of Significant Accounting Policies

The financial statements of Winnetka-Northfield Public Library District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America 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 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 combine 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.

<u>General Fund Type</u> – 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.

<u>Special Revenue Fund Type</u> – 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 and Equipment, IMRF, and Unemployment Insurance.

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Projects Fund Type – The Special Reserve Fund is used to account for the acquisition or construction of general capital assets.

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 resources 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

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 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

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 ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks which are insured by the Federal Deposit Insurance Corporation.

Cash includes amounts in demand deposits and are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest-bearing and noninterest-bearing).

Note 1: Summary of Significant Accounting Policies (Continued)

The District has adopted an investment policy. The policy is in accordance with the state statue for allowable investments. Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record fair value are deemed unrealized gains and losses; are recorded as increases or decreases in investment income, and recorded in the statement of revenues, expenditures and changes in net position. Investment income on commingled investments is allocated to the General Fund.

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 allocated 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 with half year depreciation taken in the year of acquisition and disposal. The range of estimated useful lives by type of asset is as follows:

Building and Improvements	10-50 years
Furniture and Fixtures	7-15 years
Computer Equipment	4-10 years
Books and Library Materials	7 years

The minimum capitalization threshold is any item with a total cost greater than $2,000, except for 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. Leases

The District is committed under three leases, one for the building used for the Northfield branch, one for photocopy equipment, and one for phone equipment.

Effective July 1, 2021, the District adopted GASB No. 87 – Leases. The revised standard is intended to increase transparency by recognizing lease assets and liabilities

Note 1: Summary of Significant Accounting Policies (Continued)

on the statement of net position and enhancing the related disclosures. Under prior standards, a lease was only recognized on the statement of net position if it met the definition of a capital lease. However, under the new standard, a lessee will be required to:

- Recognize a right-to-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of net position.
- Recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis.

The July 1, 2021 right-to-use lease assets and related lease liabilities were calculated based on the remaining months of lease payments discounted to July 1, 2021 using a 4% interest rate. The right-to-use lease assets are being amortized over the remaining lease period.

See Note 5 for additional information regarding the District's lease commitments.

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.

Deferred inflows of resources may consist of two items. 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. Deferred inflows related to pensions represent changes in assumptions and projected and actual experience on pension plan investments.

See Note 8 for additional information on these deferred outflows and inflows.

I. 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 since it does not vest. Earned but unused vacation pay is reported as an expense and a liability in the government-wide statements.

J 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

Note 1: Summary of Significant Accounting Policies (Continued)

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District has elected to use a December 31, 2022 measurement date. All IMRF liabilities, assets and deferred inflows and outflows are measured as of that date. This measurement date conforms to the requirements of GASB 68.

K. Interfund Transactions

Interfund transfers are reported as operating transfers.

L. 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:

- 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;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Restricted fund balances relate to the remaining property tax levies from statutorily restricted revenue funds. In the general fund, the restricted portion relates to the FICA tax levy. The other funds amount is from building and equipment, IMRF, and unemployment insurance levies.

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 (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees 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, the Board determines which funding source to use first. Although not specifically assigned, due to the timing of property tax collections, the District uses year end fund balances to fund operating expenses for the next year.

Note 1: Summary of Significant Accounting Policies (Continued)

M. Estimates

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

Note 2: Deposits and Investments

Deposits. At year end, the carrying amount of the District's deposits, excluding petty cash of $388, was $2,818,428 and the bank balance was $2,831,339. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining $2,331,339 was collateralized with securities held by the pledging financial institution's trust department in the District's name.

Investments. The District's investments at year-end were comprised of the following:

	Weighted Average Rate	Original Cost	Fair Value
Advised Insured Deposit Account	5.01%	$ 1,326,981	$ 1,326,981
U.S. T – Bills	4.76%	888,213	911,704
U.S. Treasury Notes	.75%	868,424	887,084
Negotiable Certificates of Deposit	4.60%	1,927,500	1,927,503
		$ 5,011,118	$ 5,053,272

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the investment policy requires that the investments are to be held by a third-party acting as the District's agent separate from where the investment was purchased.

Credit Risk. Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk by investing primarily in obligations guaranteed by the United States Government or its agencies. However, the District's investment policy does not specifically limit the District to these types of investments. As of June 30, 2023, the District's investments were rated as follows:

Investment Type	Standard & Poor's
Negotiable Certificates of Deposit	Not Rated

Concentration of Credit Risk. Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific issues of securities. At June 30, 2023, there were no investments that represented a concentration of the portfolio.

Note 2: Deposits and Investments (Continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District manages its exposure to declines in fair values by limiting the maturity of its investment portfolio to two years. As of June 30, 2023, the District's investments were maturing as follows:

Investment Type	Fair Value	Less Than One Year	1-2 Years
U.S. T – Bills	$ 911,704	$ 911,704	$ -
U.S. Treasury Notes	887,084	887,084	-
Negotiable Certificates of Deposit	1,927,503	1,927,503	-
	$ 3,726,291	$ 3,726,291	$ -

Note 3: Property Tax Revenue Recognition

The Library's property tax was levied in November 2022 by passage of a Tax Levy Ordinance. Property taxes, which are due within the current fiscal year and collected, are recorded as revenues.

The County Assessor is responsible for assessment of all taxable real property within Cook County (County) except for certain railroad property, which is assessed directly by the State. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the governmental units their respective share of the collections.

Tax bills are to be issued on or around February 1 and July 1. Payment is due 30 days following the issuance date.

The 2022 property taxes attach as an enforceable lien on January 1, 2022. Taxes are payable in two installments on or around March 1 and August 1, (the due date in 2023 is November 30). The County collects such taxes and remits them periodically, with the majority being collected between March 2023 through December 2023.

The second installment of the 2022 property tax levy is recorded as a receivable at June 30, 2023. The second installment is not deemed available as of June 30, 2023 and is therefore reflected as deferred property taxes at June 30, 2023 in the funds balance sheet.

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	$ 33,666	$ 316,000	$ -	$ 349,666
Construction in Progress	57,875	159,544	-	217,419
Total capital assets, not being depreciated	91,541	475,544	-	567,085
Capital assets, being depreciated				
Building and Improvements	7,587,946	21,688	-	7,609,634
Furniture and Equipment	416,429	102,273	(33,297)	485,405
Computer Equipment	191,494	25,149	(151,297)	65,346
Books and Library Materials	2,063,917	253,475	(367,857)	1,949,535
Total capital assets being depreciated	10,259,786	402,585	(552,451)	10,109,920
Less accumulated depreciation for				
Building and Improvements	3,908,205	303,050	-	4,211,255
Furniture and Equipment	260,875	38,936	(18,313)	281,498
Computer Equipment	160,429	12,246	(151,297)	21,378
Books and Library Materials	1,192,870	260,399	(367,857)	1,085,412
Total accumulated depreciation	5,522,379	614,631	(537,467)	5,599,543
Total capital assets being depreciated, net	4,737,407	(212,046)	(14,984)	4,510,377
Capital assets, net	$ 4,828,948	$ 263,498	$ (14,984)	$ 5,077,462

Note 5: Right-to-Use Lease Assets and Payables

Right-to-use lease assets, net consists of:

	Balance July 1, 2022	Additions	Subtractions	Balance June 30, 2023
Lease Assets	$ 304,442	$ -	$ -	$ 304,442
Less: Accumulated Amortization	(90,115)	(98,760)	-	(188,875)
	$ 214,327	$ (98,760)	$ -	$ 115,567

Lease expense consists of:

Amortization expense of right-to-use lease assets	$ 98,760
Interest on leases liability	6,896
	$ 105,656

Leases payable consists of the following:

Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due In One Year
$ 211,144	$ -	$ 99,075	$ 112,069	$ 108,081

Note 5: Right-to-Use Lease Assets and Payables (Continued)

Leases payable maturities are as follows:

	Principal	Interest	Total
Year ending June 30, 2024	$ 108,081	$ 1,938	$ 110,019
Year ending June 30, 2025	3,988	20	4,008
	$ 112,069	$ 1,958	$ 114,027

Note 6: 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; injuries to employees; and natural disasters. As such, the District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

Note 7: Long-Term Liabilities

Changes in long-term liabilities during the year were as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due In One Year
Leases Payable	$ 211,144	$ -	$ 99,075	$ 112,069	$ 108,081
Compensated Absences	28,019	34,032	-	62,051	-
Net OPEB Liability	123,245	179	-	123,424	-
Net Pension (Asset) Liability	(1,753,812)	2,078,593	-	324,781	-

Note 8: Defined Benefit Pension Plan

IMRF Plan Description. The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a 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.

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 when

Note 8: Defined Benefit Pension Plan (Continued)

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	44
Inactive Plan Members entitled to but not yet receiving benefits	39
Active Plan Members	33
Total	116

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2022 was 5.06%. For the fiscal year ended June 30, 2023 the District contributed $63,003 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 (Asset) Liability. The District's net pension (asset) liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- The *Actuarial Cost Method* used was Entry Age Normal.

Note 8: Defined Benefit Pension Plan (Continued)

- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.25%.
- *Salary Increases* were expected to be 2.85% to 13.75%, 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.
- 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
Domestic 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	100.0%	

Single Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

Note 8: Defined Benefit Pension Plan (Continued)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension (Asset) Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A)-(B)
Balances at December 31, 2021	$ 8,692,767	$ 10,446,579	$ (1,753,812)
Change for the year:			
Service Cost	123,405	-	123,405
Interest on the Total Pension Liability	614,598	-	614,598
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(474,104)	-	(474,104)
Changes in Assumptions	-	-	-
Contributions - Employer	-	82,495	(82,495)
Contributions - Employees	-	73,366	(73,366)
Net Investment Income	-	(1,362,766)	1,362,766
Benefit Payments, including Refunds of Employee Contributions	(554,522)	(554,522)	-
Other (Net Transfers)	-	(607,789)	607,789
Net Changes	(290,623)	(2,369,216)	2,078,593
Balances at December 31, 2022	$ 8,402,144	$ 8,077,363	$ 324,781

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension (asset) 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 (Asset) Liability	$ 1,227,949	$ 324,781	$ (376,678)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2023, the District recognized pension

Note 8: Defined Benefit Pension Plan (Continued)

expense of $552,787. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	$ 33,105	$ 316,965
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	664,128	-
Total Deferred Amounts to be recognized in pension expense in future periods	697,233	316,965
Pension Contributions made subsequent to the Measurement Date, through June 30, 2023	22,248	-
Total Deferred Amounts Related to Pensions	$ 719,481	$ 316,965

Deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date were $22,248. 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	$ (205,924)
2024	(56,596)
2025	226,057
2026	416,731
Thereafter	-
Total	$ 380,268

Note 9: Other Post-Employment Benefits

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the District provides post-employment health care benefits (OPEB) for retired employees of the District through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. The plan is not accounted for as a trust fund; as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

Note 9: Other Post-Employment Benefits (Continued)

All health care benefits for retired employees of the District are provided through the District's health 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.

All retirees contribute 100% of the paid premium to the plan. For the fiscal year ending June 30, 2023, retirees contributed $0. Active employees do not contribute to the plan until retirement.

At June 30, 2023, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	22
	22

Contributions

There are no actuarially determined contributions or employer contributions as there is no Trust that exists for funding the OPEB liabilities. There are only contributions from other district resources which relate to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Net OPEB Liability

The District's net OPEB liability of $123,424 was measured as of June 30, 2023, and was determined by an actuarial valuation performed as of July 1, 2022.

Actuarial Assumptions and Other Inputs. The net OPEB liability in the July 1, 2022 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- The *Actuarial Valuation Method* used was the Alternative Measurement Method.
- *Salary Increases* are expected to be 2.5%, average, including inflation.
- The *Discount Rate* used was 3.65%, based on the High Quality 20-Year Tax Exempt G.O. Bond Rate.
- The *Health Care Cost Trend Rates* beginning July 1, 2022 at rates ranging from 7.00% to 7.30% reduced annually in increments ranging from .22% to .26% to 5.00%.
- *Plan Participation Rate* assumes 20% of employees currently enrolled in medical plans will participate in the plan.
- *Retirement Rates* used were Age 61 for Tier 1 IMRF Employees and Age 62 for Tier II IMRF employees.
- *Retiree Lapse Rates* used was 100% at age 65 once Medicare eligible.
- *Mortality Rates* follows the Sex Distinct Raw Rates as developed in the PubG-2010(B) Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2020 Improvement Rates.

Note 9: Other Post-Employment Benefits (Continued)

- *Spouse Mortality* follows the Sex Distinct Raw Rates as developed in the PubG-2010(B) Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2020 Improvement Rates.

Changes in the Net OPEB Liability

	Total OPEB Liability	OPEB Plan Net Position	Net OPEB Liability
Balance at June 30, 2022	$ 123,245	$ -	$ 123,245
Changes for the Year:			
Service Cost	2,404	-	2,404
Interest	4,284	-	4,284
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	(2,058)	-	(2,058)
Contributions - Employer	-	4,451	(4,451)
Contributions - Employee	-	-	-
Benefit Payments	(4,451)	(4,451)	-
Administrative Expense	-	-	-
Net Changes	179	-	179
Balance at June 30, 2023	$ 123,424	$ -	$ 123,424

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability, calculated using a Single Discount Rate of 3.65%, as well as what the plan's total OPEB liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Lower (2.65%)	Current (3.65%)	1% Higher (4.65%)
Net Pension Liability	$ 142,884	$ 123,424	$ 107,435

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the sensitivity of the net OPEB Liability to the Healthcare Cost Trend Rates assumption:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Net OPEB Liability	$ 105,640	$ 123,424	$ 144,945

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the District recognized OPEB expense of $179. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 9: Other Post-Employment Benefits (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	$ -	$ -
Changes of assumptions or other inputs	-	-
Total Deferred Amounts Related to OPEB	$ -	$ -

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 $80,703. The District received rebates of $7,753 during the year as well.

Note 11: Kenilworth Public Library District Agreement

The Kenilworth Public Library District has entered into an agreement with the Winnetka-Northfield and Wilmette Public Library Districts (Winnetka-Northfield and Wilmette Libraries) dated July 1, 2011, which provides that the Winnetka-Northfield and Wilmette Libraries will provide library services to the residents of the Kenilworth Public Library District. Contractual amounts for services and administrative fees are paid by Kenilworth Public Library District and divided between Winnetka-Northfield and Wilmette Libraries.

Payments are made to the Winnetka-Northfield and Wilmette Libraries based on circulation for each library attributed to a Kenilworth residence and increase with inflation.

During the year ended June 30, 2023, Kenilworth paid $143,335 to Winnetka-Northfield Public Library District.

Note 12: Adjustments

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

Right-to-Use Lease Assets used in governmental activities are not a financial resource and therefore are not capitalized in the funds	$	115,567
Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.		5,077,462
Deferred outflows (inflows), net, related to: IMRF Pension		402,516
Liabilities for compensated absences, which will not mature in the current period, are not included in the governmental fund balances and, therefore, are deducted from net position.		(62,051)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet:		
Leases Payable		(112,069)
Net OPEB Liability		(123,424)
Net Pension Liability		(324,781)
	$	4,973,220

Amounts reported on the statement of activities are different from governmental funds statement of revenues, expenditures and changes in fund balances because:

The amortization of right-to-use lease asset is an expense in the statement of activities.	$	(98,760)
The government funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense ($878,129 less $629,615).		248,514
Recognizing the change in pension expense relating to change in deferred outflows, deferred inflows and net pension (asset) obligation.		(489,784)
Removal of leases liability principal payments from the statement of activities.		99,075
Recognizing the expense relating to the change in other post-employment benefits.		(179)
Other differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities: Changes in compensated absences		(34,032)
	$	(275,166)

Note 13: Commitments

In 2023, the District started an expansion project at the Northfield branch. The total cost of the expansion is expected to be approximately $5,000,000. As of June 30, 2023, the Board has approved various contracts related to the project totaling $391,074. The District has paid or accrued $5,850 toward these commitments leaving a balance of $385,224 due on the contracts.

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	$ 123,405	$ 113,944	$ 115,505	$ 115,073	$ 121,575	$ 139,374	$ 150,440	$ 125,771	$ 161,936
Interest on the Total Pension Liability	614,598	596,218	592,469	574,460	578,681	592,482	587,688	543,663	464,315
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(474,104)	110,255	34,150	119,669	(148,031)	(93,761)	(148,728)	388,546	557,823
Changes of Assumptions	-	-	(110,471)	-	212,096	(274,230)	(8,805)	8,791	274,485
Benefit Payments and Refunds	(554,522)	(588,748)	(569,568)	(552,475)	(553,981)	(523,989)	(519,212)	(444,066)	(320,948)
Net Change in Total Pension Liability	(290,623)	231,669	62,085	256,727	210,340	(160,124)	61,383	622,705	1,137,611
Total Pension Liability – Beginning	8,692,767	8,461,098	8,399,013	8,142,286	7,931,946	8,092,070	8,030,687	7,407,982	6,270,371
Total Pension Liability – Ending (A)	$ 8,402,144	$ 8,692,767	$ 8,461,098	$ 8,399,013	$ 8,142,286	$ 7,931,946	$ 8,092,070	$ 8,030,687	$ 7,407,982
Plan Fiduciary Net Position									
Contributions – Employer	$ 82,495	$ 118,453	$ 119,214	$ 82,069	$ 133,622	$ 129,677	$ 131,956	$ 108,949	$ 145,039
Contributions – Employee	73,366	64,068	59,082	53,601	58,721	67,133	67,277	64,121	60,448
Net Investment Income	(1,362,766)	1,595,625	1,233,777	1,426,547	(513,319)	1,353,676	498,722	36,024	421,393
Benefit Payments and Refunds	(554,522)	(588,748)	(569,568)	(552,475)	(553,981)	(523,989)	(519,212)	(444,066)	(320,948)
Other (Net Transfer)	(607,789)	20,054	45,693	71,881	(4,186)	(213,511)	(80,518)	129,911	68,557
Net Change in Plan Fiduciary Net Position	(2,369,216)	1,209,452	888,198	1,081,623	(879,143)	812,986	98,225	(105,061)	374,489
Plan Fiduciary Net Position - Beginning	10,446,579	9,237,127	8,348,929	7,267,306	8,146,449	7,333,463	7,235,238	7,340,299	6,965,810
Plan Fiduciary Net Position – Ending (B)	$ 8,077,363	$ 10,446,579	$ 9,237,127	$ 8,348,929	$ 7,267,306	$ 8,146,449	$ 7,333,463	$ 7,235,238	$ 7,340,299
Net Pension (Asset)/Liability – Ending (A) – (B)	$ 324,781	$ (1,753,812)	$ (776,029)	$ 50,084	$ 874,980	$ (214,503)	$ 758,607	$ 795,449	$ 67,683
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.13%	120.18%	109.17%	99.40%	89.25%	102.70%	90.63%	90.09%	99.09%
Covered Valuation Payroll	1,630,345	1,432,721	1,312,929	1,191,126	1,304,908	1,308,561	1,302,626	1,338,450	1,125,783
Net Pension (Asset)/Liability as a Percentage of Covered Valuation Payroll	19.92%	-122.41%	-59.11%	4.20%	67.05%	-16.39%	58.24%	59.43%	6.01%

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.

WINNETKA-NORTHFIELD 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
2014	$ 110,439	$ 145,039	$ (34,600)	$ 1,125,783	12.88%
2015	108,950	108,949	1	1,338,450	8.14%
2016	131,956	131,956	-	1,302,626	10.13%
2017	129,678	129,677	1	1,308,561	9.91%
2018	133,623	133,622	1	1,304,908	10.24%
2019	82,069	82,069	-	1,191,126	6.89%
2020	119,214	119,214	-	1,312,929	9.08%
2021	118,454	118,453	1	1,423,721	8.32%
2022	82,495	82,495	-	1,630,345	5.06%

*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.

<u>Methods and Assumptions Used to Determine 2022 Contribution Rates:</u>

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-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements

	projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other Information:	
Notes:	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation.

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.

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED JUNE 30,

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 2,404	$ 2,667	$ 2,466	$ 992	$ 2,065	$ 1,988
Interest	4,284	3,772	3,784	3,943	4,104	4,077
Changes on Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	(10,676)	-	26,540	-	-
Changes in Assumptions	(2,058)	(43,654)	1,307	29,947	5,112	-
Benefit Payments	(4,451)	(7,023)	(1,196)	(4,567)	(4,784)	(5,933)
Net Change in Total OPEB Liability	179	(54,914)	6,361	56,855	6,497	132
Total OPEB Liability - Beginning	123,245	178,159	171,798	114,943	108,446	108,314
Total OPEB Liability - Ending (a)	$ 123,424	$ 123,245	$ 178,159	$ 171,798	$ 114,943	$ 108,446
OPEB Plan Net Position						
Contributions - Employer	$ 4,451	$ 7,023	$ 1,196	$ 4,567	$ 4,784	$ 5,933
Contributions - Employee	-	-	-	-	-	-
Contributions - Other	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-
Benefit Payments	(4,451)	(7,023)	(1,196)	(4,567)	(4,784)	(5,933)
Administrative Expense	-	-	-	-	-	-
Employer Net Change in OPEB Plan Net Position	-	-	-	-	-	-
OPEB Plan Net Position - Beginning	-	-	-	-	-	-
OPEB Plan Net Position - Ending (b)	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability - Ending (a) - (b)	$ 123,424	$ 123,245	$ 178,159	$ 171,798	$ 114,943	$ 108,446
OPEB Plan Net Position as a Percentage of Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	$ 1,488,811	$ 1,319,728	$ 1,516,233	$ 1,119,288	$ 1,097,180	$ 1,211,591
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	8.29%	9.34%	11.75%	15.35%	10.48%	8.95%

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.

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual as a Percentage of Covered Valuation Payroll
2018	N/A	-	N/A	1,211,591	0.0%
2019	N/A	-	N/A	1,097,180	0.0%
2020	N/A	-	N/A	1,119,288	0.0%
2021	N/A	-	N/A	1,516,233	0.0%
2022	N/A	-	N/A	1,319,728	0.0%
2023	N/A	-	N/A	1,488,811	0.0%

Notes to the Required Supplementary Information

There is no Actuarily Determined Contribution (ADC) or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the District did make contributions from other District resources in the current year in the amount of $4,451 as a pass-thru.

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS, APPROPRIATIONS, AND WORKING BUDGET COMPARED TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND		
	APPROPRIATION - ORIGINAL AND FINAL	WORKING BUDGET	ACTUAL
REVENUES			
Property Taxes	$ 4,012,843	$ 4,012,843	$ 4,261,292
Replacement Taxes	33,000	33,000	115,954
Grants	27,280	27,280	27,250
Kenilworth Service Contract	145,000	145,000	143,335
Fines, Fees, Services, Interest and Other	125,700	125,700	166,274
Contributions	20,500	20,500	22,050
Total Revenues	4,364,323	4,364,323	4,736,155
EXPENDITURES			
Personnel	2,231,350	2,131,350	2,054,527
FICA	139,000	118,308	127,463
Library Materials and Services	741,675	674,250	691,738
Computer Services	511,775	215,250	388,852
Administrative	405,328	402,528	376,529
Capital Outlay	2,725,000	610,000	462,933
Contingency	-	-	-
Total Expenditures	6,754,128	4,151,686	4,102,042
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (2,389,805)	$ 212,637	$ 634,113

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

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2023

	BUILDING & EQUIPMENT	IMRF	UNEMPLOYMENT INSURANCE	TOTAL
ASSETS				
Cash and Cash Investments	$ 38,791	$ 60,445	$ 54,183	$ 153,419
Property Taxes Receivable	-	10,064	-	10,064
Other Assets	695	-	-	695
Total Assets	$ 39,486	$ 70,509	$ 54,183	$ 164,178
LIABILITIES				
Accounts Payable	$ 2,682	$ -	$ -	$ 2,682
Total Liabilities	2,682	-	-	2,682
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	-	10,064	-	10,064
Total Liabilities and Deferred Inflows of Resources	2,682	10,064	-	12,746
FUND BALANCES				
Restricted	36,804	60,445	54,183	151,432
Total Liabilities, Deferred Inflows and Fund Balances	$ 39,486	$ 70,509	$ 54,183	$ 164,178

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

OTHER FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2023

	BUILDING & EQUIPMENT	IMRF	UNEMPLOYMENT INSURANCE	TOTAL
REVENUES				
Property Taxes	$ 180,491	$ 62,336	$ 677	$ 243,504
Total Revenues	180,491	62,336	677	243,504
EXPENDITURES				
Capital Outlay	12,514	-	-	12,514
Maintenance	171,378	-	-	171,378
Right to Use Leases Payments	105,971	-	-	105,971
IMRF	-	63,003	-	63,003
Unemployment Insurance	-	-	-	-
Total Expenditures	289,863	63,003	-	352,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,372)	(667)	677	(109,362)
OTHER FINANCING SOURCES				
Operating Transfers	-	-	-	-
Net Change in Fund Balances	(109,372)	(667)	677	(109,362)
FUND BALANCES				
Beginning of Year	146,176	61,112	53,506	260,794
End of Year	$ 36,804	$ 60,445	$ 54,183	$ 151,432