



**AUDIT REPORT
FOR THE YEAR ENDED APRIL 30, 2023**

**Northbrook Public Library
Audit Report
For the Year Ended April 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northbrook Public Library
Northbrook, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Northbrook Public Library** (Library), a component unit of the Village of Northbrook, Illinois, as of and for the year ended April 30, 2023, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and IMRF/FICA (major Special Revenue) Fund and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the accompanying table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Northbrook Public Library as of April 30, 2023, and the respective changes in financial position and respective budgetary comparison for the General Fund and IMRF/FICA Fund (major Special Revenue) 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 Library 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.

Responsibilities of Management for the Financial Statements (cont'd)

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 Library'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 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 the Library'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 the Library'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 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 (pages 4-8), the multiyear schedule of changes in net pension liability and related ratios – Illinois Municipal Retirement Fund (pages 40-41), the multiyear schedule of contributions – Illinois Municipal Retirement Fund (page 42), and the multiyear schedule of changes in net OPEB liability and related ratios – other post-employment retiree healthcare plan (pages 43-44) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Library's basic financial statements. The schedules listed as supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information on pages 45-48 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Seiden Fox, Ltd.

October 9, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NORTHBROOK PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2023**

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

Financial Highlights

The Library's total net position as of April 30, 2023 and 2022, was \$17,771,068 and \$17,395,025, respectively. For the years ended April 30, 2023 and 2022, net position increased from operations \$376,043 and \$1,567,893, respectively. The term "net position" represents the difference between total assets/deferred outflows and total liabilities/deferred inflows of resources.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Library's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Library also includes in this report additional information to supplement the basic financial statements.

Financial Statements

The financial statements of the Library are intended to provide the reader with an understanding of the financial position of the Library 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 *Statement of Net Position* and the *Governmental Funds Balance Sheet* provide information on the Library's assets/deferred outflows of resources 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 the government as a whole in the Statement of Net Position, and for each major fund in the fund financial statements, and shows any restrictions on the fund or net position.

The *Statement of Activities* and the *Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance* reflect the results of the Library's revenues, expenditures and activities during the year and the corresponding effect on fund and net position balances. These statements show the source of Library revenues and how those revenues were used to provide Library services.

Financial Statements (cont'd)

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 Schedules of Changes in the Net Pension Liability and Related Ratios, and Contributions for the IMRF Pension Plan, and Changes in the Net OPEB Liability and Related Ratios.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The Library's assets/deferred outflows exceeded liabilities/deferred inflows of resources by \$17,771,068 as of the close of the year. Of the net position balance, \$10,101,706 is unrestricted, \$711,161 is restricted, and \$6,958,201 is invested in capital assets, net of related debt.

Condensed Statement of Net Position

	April 30,	
	2023	2022
Current and other assets	\$ 21,923,975	\$ 22,502,216
Capital assets, net of accumulated depreciation	16,237,722	16,884,400
Total assets	38,161,697	39,386,616
Deferred outflows	3,043,708	957,242
Current liabilities	854,035	840,548
Non-current liabilities	12,856,625	9,927,120
Total liabilities	13,710,660	10,767,668
Deferred inflows of resources	9,723,677	12,181,165
Net position:		
Net investment in capital asset	6,958,201	7,202,761
Restricted	711,161	646,583
Unrestricted	10,101,706	9,545,681
Total net position	\$ 17,771,068	\$ 17,395,025

Financial Analysis (cont'd)

Condensed Statement of Activities

	April 30,	
	2023	2022
Revenues:		
Property taxes	\$ 8,966,385	\$ 8,645,445
State replacement taxes	459,160	350,276
Investment income	58,741	8,309
Fines, fees and other	195,300	262,916
Total revenues	9,679,586	9,266,946
Expenses:		
Library services	8,955,018	7,340,235
Interest	348,525	358,818
Total expenses	9,303,543	7,699,053
Increase in net position	376,043	1,567,893
Net position, beginning of year	17,395,025	15,827,132
Net position, end of year	\$ 17,771,068	\$ 17,395,025

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

<u>Governmental Funds</u>	Fund Balance April 30, 2022	Increase (Decrease)	Fund Balance April 30, 2023
General	\$ 4,133,441	\$ 2	\$ 4,133,443
IMRF/FICA	646,583	64,578	711,161
Debt service	(9,258)	-	(9,258)
Capital improvements	6,317,446	892,483	7,209,929
Total	\$ 11,088,212	\$ 957,063	\$ 12,045,275

The General Fund transferred \$1,120,000 to the Capital Improvements Fund and \$12,554 to the Debt Service Fund during the year.

Budgetary Highlight

The Library's General Fund expended \$7,047,788 which was \$448,212 less than the budget of \$7,496,000 for the year ended April 30, 2023. Salaries and employee benefits were \$149,331 less than the budgeted amount of \$4,999,500.

Capital Assets and Debt Administration

The following is a summary of capital assets as of April 30, 2023, and 2022:

	April 30,	
	<u>2023</u>	<u>2022</u>
Land	\$ 35,000	\$ 35,000
Artwork	6,700	6,700
Construction costs	163,924	61,955
Building improvements	26,105,860	26,090,826
Land improvements	241,162	241,162
Computer equipment	594,731	574,387
Office and other equipment	817,703	829,627
Furniture and shelving	1,329,722	1,335,200
Books and other library materials	5,054,697	5,121,255
Cost of capital assets	34,349,499	34,296,112
Less accumulated depreciation	<u>18,111,777</u>	<u>17,411,712</u>
Net capital assets	<u>\$ 16,237,722</u>	<u>\$ 16,884,400</u>

For further detail of capital assets, see Note III.B on page 26.

The outstanding bonds payable at April 30, 2023, are \$8,975,000. No new bonds were issued in the current year and bond payments made during the year were \$390,000. See Note III.D on pages 27-29 for more information. The Library also records noncurrent liabilities for a deferred bond premium, net pension liability, and net OPEB liability totaling \$304,521, \$3,368,322 and \$316,639, respectively, at April 30, 2023 and 2022. The Library also recorded a net pension liability of \$3,368,322 at April 30, 2023.

Description of Current or Expected Conditions

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

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Northbrook Public Library, 1201 Cedar Lane, Northbrook, Illinois 60062.

BASIC FINANCIAL STATEMENTS

**Northbrook Public Library
Statement of Net Position
April 30, 2023**

	Governmental Activities
Assets and Deferred Outflows	
Cash and investments	\$ 16,786,386
Receivables	4,736,323
Prepaid items	401,266
Capital assets not being depreciated	205,624
Capital assets, net of accumulated depreciation	16,032,098
Total assets	38,161,697
Deferred outflows (Note IV.)	3,043,708
Total assets and deferred outflows	41,205,405
Liabilities and Deferred Inflows	
Accounts payable	437,599
Accrued expenses	36,071
Accrued interest	145,566
Compensated absences payable	234,799
Noncurrent liabilities:	
Debt due within one year	422,773
Debt due in more than one year	8,856,748
Net pension liability	3,368,322
Net OPEB liability	208,782
Total liabilities	13,710,660
Deferred inflows (Note IV.)	9,723,677
Total liabilities and deferred inflows	23,434,337
Net Position	
Net investment in capital assets	6,958,201
Restricted	711,161
Unrestricted	10,101,706
	\$ 17,771,068

See accompanying notes.

**Northbrook Public Library
Statement of Activities
For the Year Ended April 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Library activities	\$ 8,955,018	\$ 44,220	\$ 97,128	\$ -	\$ (8,813,670)
Interest	348,525	-	-	-	(348,525)
	<u>\$ 9,303,543</u>	<u>\$ 44,220</u>	<u>\$ 97,128</u>	<u>\$ -</u>	<u>(9,162,195)</u>
			General revenues:		
			Property taxes	8,966,385	
			Replacement taxes	459,160	
			Investment income	58,741	
			Other income	53,952	
			Total general revenues	<u>9,538,238</u>	
			Changes in net position		376,043
			Net position, beginning of year		<u>17,395,025</u>
			Net position, end of the year		<u>\$ 17,771,068</u>

See accompanying notes.

**Northbrook Public Library
Balance Sheet - Governmental Funds
April 30, 2023**

	<u>General</u>	<u>IMRF/FICA</u>	<u>Debt Service</u>
Assets			
Cash and investments	\$ 10,940,404	\$ 1,059,042	\$ 395
Receivables, net:			
Property taxes	4,002,286	351,839	375,017
Other	7,181	-	-
Due from other funds	-	-	361,080
Prepaid expenses	401,266	-	-
Total assets	<u>\$ 15,351,137</u>	<u>\$ 1,410,881</u>	<u>\$ 736,492</u>
Liabilities			
Accounts payable	\$ 433,404	\$ -	\$ -
Accrued payroll	36,071	-	-
Due to other funds	2,788,659	-	-
Total liabilities	<u>3,258,134</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Property taxes	7,959,560	699,720	745,750
Total liabilities and deferred inflows of resources	<u>11,217,694</u>	<u>699,720</u>	<u>745,750</u>
Fund Balances (Deficit)			
Nonspendable	401,266	-	-
Restricted for statutory purposes	-	711,161	-
Committed for capital projects	-	-	-
Unassigned	3,732,177	-	(9,258)
Total fund balances (deficit)	<u>4,133,443</u>	<u>711,161</u>	<u>(9,258)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 15,351,137</u>	<u>\$ 1,410,881</u>	<u>\$ 736,492</u>

See accompanying notes.

<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
\$ 4,786,545	\$ 16,786,386
-	4,729,142
-	7,181
2,427,579	2,788,659
-	401,266
<u>\$ 7,214,124</u>	<u>\$ 24,712,634</u>
\$ 4,195	\$ 437,599
-	36,071
-	2,788,659
<u>4,195</u>	<u>3,262,329</u>
-	9,405,030
<u>4,195</u>	<u>12,667,359</u>
-	401,266
-	711,161
7,209,929	7,209,929
-	3,722,919
<u>7,209,929</u>	<u>12,045,275</u>
<u>\$ 7,214,124</u>	<u>\$ 24,712,634</u>

Northbrook Public Library
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
April 30, 2023

Total fund balance - governmental fund (page 12)	\$ 12,045,275
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	16,237,722
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Liabilities as defined under modified accrual accounting, not due and payable in the current period, are not reported in the funds.

Accrued interest	(145,566)
Compensated absences payable	(234,799)
Bonds payable	(9,279,521)
Net pension liability	(3,368,322)
Difference in pension-related items on deferred outflows	3,021,182
Difference in pension-related items on deferred inflows	(62,602)
Net other post employment benefit liability	(208,782)
Difference in OPEB-related items on deferred outflows	22,526
Difference in OPEB-related items on deferred inflows	(256,045)

Net position of governmental activities (page 9)	<u>\$ 17,771,068</u>
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See accompanying notes.

Northbrook Public Library
Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficit) - Governmental Funds
For the Year Ended April 30, 2023

	<u>General</u>	<u>IMRF/FICA</u>	<u>Debt Service</u>
Revenues:			
Property taxes	\$ 7,518,447	\$ 702,543	\$ 745,395
State replacement taxes	459,160	-	-
Fines, fees, and rentals	44,220	-	-
Interest income	33,330	3,069	172
Gifts, designated, and grants	97,128	-	-
Miscellaneous	28,059	-	-
Total revenues	<u>8,180,344</u>	<u>705,612</u>	<u>745,567</u>
Expenditures:			
Salaries and employee benefits	4,850,169	641,034	-
Library materials and services	1,062,211	-	-
Operational costs	733,440	-	-
Maintenance	282,219	-	-
Other	10,779	-	-
Gifts and designated	108,970	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	390,000
Interest and fiscal charges	-	-	368,121
Total expenditures	<u>7,047,788</u>	<u>641,034</u>	<u>758,121</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>1,132,556</u>	<u>64,578</u>	<u>(12,554)</u>
Other financing sources (uses):			
Transfers in	-	-	12,554
Transfers out	(1,132,554)	-	-
Insurance proceeds	-	-	-
Total other financing sources (uses)	<u>(1,132,554)</u>	<u>-</u>	<u>12,554</u>
Net changes in fund balances (deficit)	<u>2</u>	<u>64,578</u>	<u>-</u>
Fund balances (deficit), beginning of the year	<u>4,133,441</u>	<u>646,583</u>	<u>(9,258)</u>
Fund balances (deficit), end of the year	<u>\$ 4,133,443</u>	<u>\$ 711,161</u>	<u>\$ (9,258)</u>

See accompanying notes.

<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
\$ -	\$ 8,966,385
-	459,160
-	44,220
22,170	58,741
-	97,128
-	28,059
22,170	9,653,693
-	5,491,203
-	1,062,211
-	733,440
-	282,219
-	10,779
-	108,970
275,580	275,580
-	390,000
-	368,121
275,580	8,722,523
(253,410)	931,170
1,120,000	1,132,554
-	(1,132,554)
25,893	25,893
1,145,893	25,893
892,483	957,063
6,317,446	11,088,212
\$ 7,209,929	\$ 12,045,275

**Northbrook Public Library
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances (Deficit) of
Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2023**

Amounts reported for governmental activities in the statement of activities (page 10) are different because:

Net changes in fund balances - total governmental fund (page 15)	\$ 957,063
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities.	872,848
Depreciation on capital assets is reported as an expense in the statement of activities.	(1,516,342)
The change in the compensated absences liability is reported as an expense on the statement of activities.	(15,835)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position	(3,242)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities.	390,000
The change in accrued interest is shown as interest expense on the statement of activities.	19,025
The net effect of changes in the net pension liability is reported as an expense in the statement of activities.	(305,002)
The net effect of changes in the net other post employment benefit liability is reported as an expense in the statement of activities.	<u>(22,472)</u>
Changes in net position of governmental activities (page 10)	<u>\$ 376,043</u>

See accompanying notes.

Northbrook Public Library
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 7,439,188	\$ 7,491,000	\$ 7,518,447	\$ 27,447
State replacement taxes	125,000	125,000	459,160	334,160
Fines, fees and rentals	25,000	25,000	44,220	19,220
Interest income	25,000	5,000	33,330	28,330
Gifts, designated and grants	100,000	200,000	97,128	(102,872)
Miscellaneous	100,000	100,000	28,059	(71,941)
Total revenues	7,814,188	7,946,000	8,180,344	234,344
Expenditures:				
Salaries and employee benefits	4,830,700	4,999,500	4,850,169	149,331
Library materials and services	1,168,001	1,128,000	1,062,211	65,789
Operational costs	747,500	790,000	733,440	56,560
Maintenance	267,000	277,000	282,219	(5,219)
Other	100,500	101,500	10,779	90,721
Gifts and designated	-	200,000	108,970	91,030
Total expenditures	7,113,701	7,496,000	7,047,788	448,212
Revenues over expenditures before other financing uses	700,487	450,000	1,132,556	682,556
Other financing uses - transfers out	(450,000)	(450,000)	(1,132,554)	(682,554)
Net changes in fund balance	\$ 250,487	\$ -	2	\$ 2
Fund balance, beginning of the year			4,133,441	
Fund balance, end of the year			\$ 4,133,443	

See independent auditor's report.

Northbrook Public Library
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - IMRF/FICA Fund
For the Year Ended April 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Property taxes	\$ 689,000	\$ 714,000	\$ 702,543	\$ (11,457)
Interest income	100	100	3,069	2,969
Total revenues	<u>689,100</u>	<u>714,100</u>	<u>705,612</u>	<u>(8,488)</u>
Expenditures - salaries and employee benefits:				
IMRF	425,000	425,000	339,493	85,507
Social Security	289,000	289,000	301,541	(12,541)
Total expenditures	<u>714,000</u>	<u>714,000</u>	<u>641,034</u>	<u>72,966</u>
Revenues over (under) expenditures	<u>\$ (24,900)</u>	<u>\$ 100</u>	<u>64,578</u>	<u>\$ 64,478</u>
Fund balance, beginning of the year			<u>646,583</u>	
Fund balance, end of the year			<u>\$ 711,161</u>	

See independent auditor's report.

Northbrook Public Library Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The financial statements of the Northbrook Public Library (Library) have been prepared in conformity with U.S. generally accepted accounting principles 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 Library's accounting policies are described below.

A. The Reporting Entity

The Library's reporting entity includes all entities for which the Library exercised oversight responsibility as defined by the GASB.

The Library 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 Library (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 Library has not included in its financial statements the activities of any other entity. See Note V.D. for exclusion of Foundation.

The Library is a component unit of the Village of Northbrook (Village).

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Library reports the following major governmental funds:

The **General Fund** is the general operating fund of the Library. It is used to account for all financial resources except those accounted for in another fund.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Government Wide and Fund Financial Statements (cont'd)

The **IMRF/FICA Fund** is used to account for the retirement obligations of the Library, funded by a restricted tax levy.

The **Debt Service Fund** is used to account for the payment of principal and interest on the Library's debt, funded by a restricted tax levy.

The **Capital Improvements Fund** is used to account for the Library's ongoing capital needs, funded by bond proceeds.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues available if they are collected within 60 days after year end. Expenditures are generally recorded when the related fund liability is incurred. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The preparation of financial statements in conformity with U.S. 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.

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity

1. Deposits and Investments

Illinois revised statutes authorize the Library 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 investment 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 that are insured by the Federal Deposit Insurance Corporation.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

1. Deposits and Investments (cont'd)

Investments consist of certificates of deposit and the Illinois Funds. Certificates of deposit are stated at cost.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

Illinois Funds meet the criteria contained in GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. This allows these investments and those local governments investing in these funds to measure its investment at amortized cost. The criteria contained in GASB Statement No. 79 address (1) how the pool interacts with participants, (2) requirements for portfolio maturity, quality, diversification and liquidity, and (3) calculation and requirements of a shadow price.

2. Receivables, Payables and Interfund Activity

The Library recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Library; however, property taxes are not recognized as revenue until the subsequent fiscal year when the property taxes are extended by Cook County and remitted to the Library. Accordingly, the property tax levy for the 2022 tax year, including collections thereon, is recognized as deferred inflows of resources in the accompanying statement of net position.

Property tax receivables are shown net of allowances for doubtful amounts. The property tax receivable allowance is equal to 2.00% of the outstanding property taxes at year end.

All interfund transactions are reported as operating transfers.

3. Capital Assets

Capital assets, which include buildings and improvements, land improvements, furniture, equipment, books, and other library materials, are reported in the government-wide financial statements. The Library defines capital assets as assets with an initial, individual cost of more than \$500, except for books and other library materials, which are capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are valued at their estimated fair value on the date received.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

3. Capital Assets (cont'd)

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 using the straight-line method over the assets' estimated useful lives as follows:

Buildings and improvements	5 – 40 years
Land improvements	10 – 20 years
Computer equipment	3 – 5 years
Office and other equipment	3 – 20 years
Furniture and shelving	7 – 20 years
Books and other library materials	7 years

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

4. Compensated Absences

The Library's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from Library service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Accumulated sick leave lapses when employees leave the employment of the Library and, upon separation from service, no monetary obligation exists.

5. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period; they increase net position, similar to assets. Note IV. provides further detail on the components of deferred outflows of resources.

Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period; they decrease net position, similar to liabilities. Note IV. provides further detail on the components of deferred inflows of resources.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. **Summary of Significant Accounting Policies (cont'd)**

D. **Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)**

6. **Fund Equity and Net Position**

Equity in the government-wide statements is classified as net position and displayed in three components:

- a. **Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of net position with constraints placed on its use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** – Remaining net position that does not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Library’s policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Spendable fund balance is further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent.

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. The Library has fund balances restricted for specific purposes in the IMRF/FICA Fund due to property tax levies.

Committed fund balance is constrained by formal actions of the Library’s Board of Trustees, which is considered the Library’s highest level of decision-making authority. Formal action is in the form of an ordinance or resolution approved at a Board meeting. The Library’s fund balance in the Capital Improvement Fund is committed for capital projects.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

6. Fund Equity and Net Position (cont'd)

Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The authority to assign fund balance is at the Board level. Assignment of fund balance does not require passage of an ordinance. The Library has no assigned fund balance. The Debt Service Fund has a deficit fund balance that is reported as unassigned. The residual fund balance in the General Fund is reported as unassigned.

The Library assumes that funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Unrestricted funds are considered spent in the following order as available - committed funds, assigned funds, and then unassigned funds.

7. Change in Accounting Principle

For fiscal year ended April 30, 2023, the Library implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 provides guidance on accounting and financial reporting requirements for subscription-based information technology arrangements (SBITA). It establishes requirements for SBITA accounting based on the principle that SBITA are financings of the right to use an underlying asset. The Library is required to recognize an intangible subscription asset and subscription liability. At implementation, the Library did not have any such arrangements significant to the financial statements that met the criteria of GASB Statement No. 96, such that there is no recognition of a subscription asset and subscription liability at the time of implementation and as of April 30, 2023.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

The budget is adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue, debt service, and capital projects funds, except for the Construction Fund. All annual budget amounts lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds. Actual expenditures exceeded budget in the Debt Service Fund by \$571. The Library did not amend its budget during the current fiscal year.

B. Deficit Fund Balance

The Library reports a deficit fund balance in the Debt Service Fund of \$9,258. Funding is expected to come from future tax revenue or a transfer from the General Fund.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups

A. Deposits and Investments

Deposits – At year end, the carrying amount of the Library’s deposits, excluding petty cash of \$475, was \$16,555,010, and the bank balance was \$16,744,285. The entire bank balance was covered by federal depository insurance, collateral with securities held by the pledging financial institution’s agent in the Library’s name, or a letter of credit.

Investments – The Library investments include an 11-month certificate of deposit with a carrying amount and bank balance of \$229,693. The Library also invests in the Illinois Funds. The monies invested by individual participants in the Illinois Funds are pooled together and invested in U.S. Treasury bills, notes backed by the full faith and credit of the U.S. Treasury, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and Treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. The funds are available on demand to the Library which reduces interest rate risk to a negligible level. The Illinois Funds is a “AAAm” rated fund. The carrying amount of deposits in the Illinois Funds at April 30, 2023, was \$1,208.

A reconciliation of cash and investments, as shown on the balance sheet for the Library, follows:

Carrying amount of deposits	\$ 16,555,010
Carrying amount of certificate of deposit	229,693
Carrying amount of Illinois Funds	1,208
Cash on hand	<u>475</u>
Total	<u>\$ 16,786,386</u>

Interest Rate Risk – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Library’s investment policy addresses interest rate risk by requiring the majority of its funds be held in authorized investments of less than one year of maturity, and that no investment shall exceed two years of maturity.

Credit Risk – Generally, credit risk is the risk that an issuer of a debt-type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization.

Custodial Credit Risk – For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Library’s investment policy requires all investments to be fully secured or collateralized.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

B. Capital Assets

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

	Balances May 1	Additions	Retirements	Balances April 30
Capital assets not being depreciated:				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Construction in progress	61,955	135,124	33,155	163,924
Artwork	6,700	-	-	6,700
	<u>103,655</u>	<u>135,124</u>	<u>33,155</u>	<u>205,624</u>
Capital assets being depreciated:				
Building and improvements	26,090,826	24,934	9,900	26,105,860
Land improvements	241,162	-	-	241,162
Computer equipment	574,387	86,782	66,438	594,731
Office and other equipment	829,627	3,973	15,897	817,703
Furniture and shelving	1,335,200	4,610	10,088	1,329,722
Books and other library materials	5,121,255	650,638	717,196	5,054,697
	<u>34,192,457</u>	<u>770,937</u>	<u>819,519</u>	<u>34,143,875</u>
Less accumulated depreciation for:				
Building and improvements	12,680,640	706,400	9,900	13,377,140
Land improvements	42,868	8,518	-	51,386
Computer equipment	511,185	48,500	66,438	493,247
Office and other equipment	393,864	63,328	15,480	441,712
Furniture and shelving	891,791	34,157	7,263	918,685
Books and other library materials	2,891,364	655,439	717,196	2,829,607
	<u>17,411,712</u>	<u>1,516,342</u>	<u>816,277</u>	<u>18,111,777</u>
Total capital assets being depreciated, net	<u>16,780,745</u>	<u>(745,405)</u>	<u>3,242</u>	<u>16,032,098</u>
Capital assets, net	<u>\$ 16,884,400</u>	<u>\$ (610,281)</u>	<u>\$ 36,397</u>	<u>\$ 16,237,722</u>

Depreciation expense was charged to Library activities' expense in the statement of activities.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

C. Interfund Receivables, Payable and Transfers

Interfund balances consist of amounts due between funds arising from the delay in cash transfers among the funds. Balances at April 30, 2023, consist of the following:

Receivable Fund	Amount	Payable Fund	Amount
Capital Improvements	\$ 2,427,579	General	\$ 2,427,579
Debt Service	361,080	General	361,080

The Board approved transfers of \$425,000 from the General Fund to the Capital Improvements Fund to be utilized for future capital projects, and \$25,000 from the General Fund to the Debt Service Fund to fund shortfall of property taxes to debt service payments. Actual transfers were \$1,120,000 from the General Fund to the Capital Improvement Fund and \$12,554 from the General Fund to the Debt Service Fund. Transfers to the Capital Improvements Fund exceed budget due to the current year revenue exceeding budgeted amounts.

D. Long-term Liabilities

General Obligation Bonds

The Library has issued general obligation bonds to provide funds for the acquisition, construction, and renovation of its facility. In addition, some general obligation bonds have been issued to refund other general obligation bonds.

For the year ended April 30, 2023, long-term liabilities consisted of the following obligation Library bonds and other liabilities:

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

D. Long-term Liabilities (cont'd)

	Balances May 1	Additions	Retirements	Balances April 30
\$3,825,000 19-year serial refunding bonds dated November 6, 2019, with interest rates ranging from 3.00% to 5.00%	\$ 3,635,000	\$ -	\$ 105,000	\$ 3,530,000
\$6,505,000 24-year serial bonds dated August 7, 2013, with interest rates ranging from 3.00% to 4.50%.	5,730,000	-	285,000	5,445,000
	9,365,000	-	390,000	8,975,000
Deferred bond premium	316,639	-	12,118	304,521
Total debt	9,681,639	-	402,118	9,279,521
Net pension liability (asset)	(2,011,717)	5,380,039	-	3,368,322
Net OPEB liability	245,481	-	36,699	208,782
	<u>\$ 7,915,403</u>	<u>\$ 5,380,039</u>	<u>\$ 438,817</u>	<u>\$ 12,856,625</u>

Issue	Amount Due Within One Year		
	Principal	Interest	Total
\$3,825,000	\$ 115,000	\$ 118,500	\$ 233,500
\$6,505,000	295,000	232,400	527,400
	<u>\$ 410,000</u>	<u>\$ 350,900</u>	<u>\$ 760,900</u>

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

D. Long-term Liabilities (cont'd)

The annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Principal	Interest	Total
2024	\$ 410,000	\$ 350,900	\$ 760,900
2025	425,000	333,350	758,350
2026	445,000	315,150	760,150
2027	465,000	296,100	761,100
2028	480,000	276,150	756,150
2028- 2032	2,710,000	1,079,925	3,789,925
2033- 2038	3,305,000	488,100	3,793,100
2039	735,000	22,050	757,050
	<u>\$ 8,975,000</u>	<u>\$ 3,161,725</u>	<u>\$ 12,136,725</u>

IV. Deferred Outflows of Resources and Deferred Inflows of Resources

The following table provides additional detail regarding deferred outflows of resources and deferred inflows of resources on the government-wide statement of net position:

Deferred outflows of resources:	
Pension related:	
Net difference between projected and actual experience	\$ 820,691
Net difference between projected and actual Earnings on pension plan investments	2,092,716
Contributions subsequent to the measurement date	107,775
OPEB related:	
Change in assumptions	<u>22,526</u>
Total deferred outflows of resources	<u>\$ 3,043,708</u>
Deferred inflows of resources:	
Property taxes	\$ 9,405,030
Pension related:	
Change in assumptions	62,602
OPEB related:	
Net difference between projected and actual experience	217,695
Change in assumptions	<u>38,350</u>
Total deferred inflows of resources	<u>\$ 9,723,677</u>

The change in assumptions related primarily to the change in the interest rate assumption.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. Other Information

A. Risk Management

The Library 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 Library carries commercial insurance.

The Library is a member of the Library Insurance Management and Risk Control Combination (LIMRCC), an intergovernmental agreement providing unemployment insurance. LIMRCC purchases commercial insurance coverage to cover possible liabilities related to these risks. These commercial policies involve immaterial deductibles and provide sufficient coverage to reduce the risk of any material loss. Settlements have not exceeded insurance coverage in each of the past three years.

The Library purchases commercial insurance for errors and omissions coverage.

Medical and death benefits for employees and retirees are provided for through the Library's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Library pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factor for premiums.

B. Deferred Compensation Plan

The Village of Northbrook offers the Library employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village and Library employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plan is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are held in a trust. As such, plan assets are not subject to the claims of general creditors of the Library or Village.

C. Jointly Governed Organization

The Library participates in Cooperative Computer Services (CCS). CCS is an intergovernmental agency 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 Library's expenditures to CCS for the year ended April 30, 2023, were \$105,093.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

D. **Foundation**

During the year ended April 30, 2006, the Library created the Northbrook Public Library Foundation (Foundation), which is a federally tax exempt 501(c)(3) organization. During the year ended April 30, 2023, the Foundation received \$3,285 in donations and interest, and expended \$978 toward program and administrative costs. The Foundation had assets totaling \$68,960 as of April 30, 2023. The Foundation has not been included in the financial statements as it does not meet the requirements of a component unit.

E. **Defined Benefit Pension Plan**

General Information About the Pension Plan

Plan Description – The Library's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), provides pensions for all full-time employees of the Library. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The types of benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org. The Library participates in IMRF through the Village of Northbrook.

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$123,489 and \$119,892 at January 1, 2023 and 2022, respectively. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 67, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

General Information About the Pension Plan (cont'd)

Contributions – Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Library is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar years 2022 and 2023, were 10.36 and 9.15 percent, respectively. The Library's contribution to the Plan totaled \$339,493 in the fiscal year ended April 30, 2023, which was equal to its annual required contribution.

Net Pension Asset/Liability

The Library is a component unit of the Village of Northbrook. Village management has allocated approximately 20.50% of the Village's pension responsibility to the Library based on annual employer contribution to the plan (19.32% in prior year). The Village of Northbrook's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2022, valuation were based on an actuarial experience study for the period January 1, 2017 – December 31, 2019, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	lesser of 3.0%-simple or ½ increase in CPI

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2023, was 21 years.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

Net Pension Asset/Liability

Mortality Rates – For non-disabled lives, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (Adjusted 105%) tables, and future mortality improvement projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, 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.

Long-term Expected Rate of Return – The long-term expected rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	35.5%	6.50%
International equities	18%	7.60%
Fixed income	25.5%	4.90%
Real estate	10.5%	6.20%
Alternatives:	9.5%	
Private equity		9.90%
Commodities		6.25%
Cash equivalents	1%	4.00%

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to the next 99 periods of projected benefit payments, and then the municipal bond rate of 4.05% (based on an index of 20-year general obligation bonds with an average AA credit rating as of December 31, 2022) was utilized, resulting in a single discount rate of 7.25% being used to determine the total pension liability.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

Net Pension Asset/Liability (cont'd)

Changes in Net Pension Asset/Liability – Village of Northbrook

The change in the net pension liability for the Village of Northbrook is shown below.
The Library's percentage of the liability is 20.50%.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances 12/31/21	\$ 124,416,290	\$ 134,831,160	\$ (10,414,870)
Changes for the year:			
Service cost	1,625,216	-	1,625,216
Interest	8,796,249	-	8,796,249
Differences between expected and actual experience	2,072,239	-	2,072,239
Changes in assumptions	-	-	-
Contributions - employer	-	1,821,744	(1,821,744)
Contributions - employee	-	916,385	(916,385)
Net investment income	-	(17,977,384)	17,977,384
Benefit payments, including refunds of employee contributions	(7,802,656)	(7,802,656)	-
Other changes	-	885,371	(885,371)
Balances 12/31/22	<u>\$ 129,107,338</u>	<u>\$ 112,674,620</u>	<u>\$ 16,432,718</u>

Discount Rate Sensitivity – The following presents the net pension liability of the Village as a whole, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate. **The Library's portion is approximately 20.50%:**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village of Northbrook net pension liability	<u>\$ 31,088,242</u>	<u>\$ 16,432,718</u>	<u>\$ 4,663,076</u>

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

Net Pension Asset/Liability (cont'd)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IMRF financial report.

Net Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Library

At April 30, 2023, the Library’s portion of the Village of Northbrook’s net pension liability is \$3,368,322. For the year ended April 30, 2023, the Library recognized pension expense of \$644,495 in the government-wide financial statements. At April 30, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 820,691	\$ -	\$ 820,691
Changes in assumptions	-	(62,602)	(62,602)
Net difference between projected and actual earnings on pension plan investments	<u>2,092,716</u>	<u>-</u>	<u>2,092,716</u>
	2,913,407	(62,602)	2,850,805
Contributions made subsequent to the measurement date	<u>107,775</u>	<u>-</u>	<u>107,775</u>
Total	<u>\$ 3,021,182</u>	<u>\$ (62,602)</u>	<u>\$ 2,958,580</u>

Library contributions of \$107,775 will be recognized as a reduction of the net pension liability in the year ending April 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30,

2024	\$ 243,862
2025	645,922
2026	816,512
2027	<u>1,144,509</u>
Total	<u>\$ 2,850,805</u>

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits**

Plan Descriptions, Provisions and Funding Policies

The Library provides post-employment health care and life insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Library and can be amended by the Library 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. The activity of the plan is reported in the Library's General Fund. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Library'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. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Library's plan becomes secondary. All retirees contribute 100% of the actuarially determined premium to the plan. At April 30, 2023, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	2
Active plan members	<u>48</u>
Total	<u>50</u>

Funding Policy – Retirees and dependents may continue coverage under the Library's group health program by contributing a monthly premium. They may participate in any plans offered to active employees. Retirees and dependents are required to pay 100% of the blended average employee cost. Premiums are the same for active and retired employees. The Library pays the difference between the actuarial cost of the health coverage for retirees and the employee group cost. There is no formal funding policy that exists for the OPEB plan as the total OPEB liabilities are currently an unfunded obligation.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits** (cont'd)

Net OPEB Liability – The Library’s net OPEB liability was initially measured as of April 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2022.

Total OPEB liability	\$	208,782
Plan fiduciary net position		-
Net OPEB liability	\$	208,782

Retiree Lapse Rates – The assumed lapse rate is 0%.

Election at Retirement – 20% of active employees are assumed to elect coverage at retirement.

Marital Status – 40% of active employees are assumed to be married and elect spousal coverage upon retirement.

Actuarial Valuation and Assumptions – The total OPEB liability was determined by an actuarial valuation using the Alternative Measurement Method as detailed in GASB Statement 75, as of May 1, 2022. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary increases	4.00%
Discount rate	4.14% (3.98% in prior year)
Inflation rate	3.00%
Investment rate of return	4.10%

The health care trend rate is 5.50 percent for the HMO Plan and 5.50 percent for the PPO Plan for fiscal years 2022-2023, then decreasing over time to an ultimate rate of 4.50 percent for both plans by fiscal year 2038. The mortality rates were based on the PubG.H-2010 Mortality Table – General with mortality improvement using scale MP-2020.

Discount Rate – The discount rate used to measure the total OPEB liability is based on the ability of the fund to meet benefit obligations in the future. Because the Village does not have a dedicated trust to pay retiree healthcare benefits, the discount rate used should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. A discount rate of 4.14% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of April 30, 2023.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits** (cont'd)

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
	<u> </u>	<u> </u>	<u> </u>
Balance 4/30/22	\$ 245,481	\$ -	\$ 245,481
Changes for the year:			
Service cost	12,953	-	12,953
Interest	10,784	-	10,784
Differences between expected and actual experience	(50,317)	-	(50,317)
Changes in assumptions	(35,596)	-	(35,596)
Contributions - employer	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Other changes	<u>25,477</u>	<u>-</u>	<u>25,477</u>
Net changes	<u>(36,699)</u>	<u>-</u>	<u>(36,699)</u>
Balances at 4/30/23	<u>\$ 208,782</u>	<u>\$ -</u>	<u>\$ 208,782</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Library as of the date of the latest actuarial valuation, calculated using the discount rate of 4.14%, as well as what the Library's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (3.14%)	Current Discount Rate (4.14%)	1% Increase (5.14%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB Liability	\$ 223,098	\$ 208,782	\$ 195,409

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits** (cont'd)

Changes in Net OPEB Liability

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates – The following presents the net OPEB liability of the Library as of the date of the latest actuarial valuation, as well as what the Library's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or lower than the current rate:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 190,503	\$ 208,782	\$ 229,458

OPEB Expense and Deferred Outflows of Resources and Inflows of Resources Related to OPEB – For the year ended April 30, 2023, the Library recognized OPEB expense of \$2,948. At April 30, 2023, the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 217,695	\$ (217,695)
Assumption changes	22,526	38,350	(15,824)
Net difference between projected and actual earnings on pension plan investments	-	-	-
Total	\$ 22,526	\$ 256,045	\$ (233,519)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30,

2024	\$ (26,685)
2025	(26,685)
2026	(26,685)
2027	(26,685)
2028	(26,685)
Thereafter	(100,094)
Total	\$ (233,519)

REQUIRED SUPPLEMENTARY INFORMATION

**Northbrook Public Library
Village of Northbrook (see Note below)
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Calendar Year Ended December 31,**

	<u>2022</u>	<u>2021</u>
Total pension liability:		
Service cost	\$ 333,131	\$ 322,419
Interest on the total pension liability	1,679,938	1,571,483
Difference between expected and actual changes	424,760	676,308
Assumption changes	-	-
Benefit payments and refunds	<u>(1,599,361)</u>	<u>(1,379,333)</u>
Net change in total pension liability	838,468	1,190,877
Total pension liability - beginning	<u>21,990,769</u>	<u>20,799,892</u>
Total pension liability - ending	<u>\$ 22,829,237</u>	<u>\$ 21,990,769</u>
Plan fiduciary net position:		
Employer contributions	\$ 373,415	\$ 404,459
Employee contributions	187,837	159,795
Pension plan net investment income	(3,684,942)	3,811,122
Benefit payments and refunds	(1,599,361)	(1,379,333)
Other	<u>181,480</u>	<u>73,009</u>
Net change in plan fiduciary net position	(4,541,571)	3,069,052
Plan fiduciary net position - beginning	<u>24,002,486</u>	<u>20,933,434</u>
Plan fiduciary net position - ending	<u>\$ 19,460,915</u>	<u>\$ 24,002,486</u>
Net pension liability	<u>\$ 3,368,322</u>	<u>\$ (2,011,717)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>85.25%</u>	<u>109.15%</u>
Covered valuation payroll	<u>\$ 3,647,888</u>	<u>\$ 3,346,086</u>
Net pension liability as a percentage of covered valuation payroll	<u>92.34%</u>	<u>-60.12%</u>

Note - The Northbrook Public Library participates in IMRF through the Village of Northbrook. It is not possible to present this schedule for the Library alone; however, the Library represents approximately 20.50% of the Village and as such the above schedule represents 20.50% of the Village's schedule. GASB 68 was adopted in fiscal year ended April 30 2016; this schedule will build a ten-year history prospectively.

See independent auditor's report.

2020	2019	2018	2017	2016	2015
\$ 253,808	\$ 328,425	\$ 295,235	\$ 305,975	\$ 308,221	\$ 305,485
834,622	1,593,150	1,406,958	1,295,578	1,401,693	1,192,367
236,935	204,009	329,023	71,088	(153,599)	(6,357)
(144,550)	-	559,318	(599,476)	(65,348)	40,891
(861,277)	(1,048,711)	(1,002,857)	(866,472)	(825,139)	(716,600)
319,538	1,076,873	1,587,677	206,693	665,828	815,786
20,480,354	19,403,481	17,815,804	17,609,111	16,943,283	16,127,497
<u>\$ 20,799,892</u>	<u>\$ 20,480,354</u>	<u>\$ 19,403,481</u>	<u>\$ 17,815,804</u>	<u>\$ 17,609,111</u>	<u>\$ 16,943,283</u>
\$ 308,178	\$ 323,235	\$ 371,707	\$ 359,385	\$ 366,360	\$ 350,861
118,435	151,375	142,976	134,781	135,300	128,054
2,203,675	3,339,697	(988,647)	2,738,317	1,040,580	72,797
(861,277)	(1,048,711)	(1,002,857)	(866,472)	(825,139)	(716,600)
80,870	117,860	406,200	(317,152)	7,890	27,116
1,849,881	2,883,456	(1,070,621)	2,048,859	724,991	(137,772)
19,083,553	16,200,097	17,270,718	15,221,859	14,496,868	14,634,640
<u>\$ 20,933,434</u>	<u>\$ 19,083,553</u>	<u>\$ 16,200,097</u>	<u>\$ 17,270,718</u>	<u>\$ 15,221,859</u>	<u>\$ 14,496,868</u>
<u>\$ (133,542)</u>	<u>\$ 1,396,801</u>	<u>\$ 3,203,384</u>	<u>\$ 545,086</u>	<u>\$ 2,387,252</u>	<u>\$ 2,446,415</u>
<u>100.64%</u>	<u>93.18%</u>	<u>83.49%</u>	<u>96.94%</u>	<u>86.44%</u>	<u>85.56%</u>
<u>\$ 3,173,489</u>	<u>\$ 3,360,028</u>	<u>\$ 3,177,666</u>	<u>\$ 2,938,462</u>	<u>\$ 2,945,889</u>	<u>\$ 2,827,246</u>
<u>-4.21%</u>	<u>41.57%</u>	<u>100.81%</u>	<u>18.55%</u>	<u>81.04%</u>	<u>86.53%</u>

**Northbrook Public Library
Illinois Municipal Retirement Fund
Required Supplementary Information -
Multiyear Schedule of Contributions
April 30, 2023**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2023	\$ 339,493	\$ 339,493	\$ -	\$ 3,708,807	9.15 %
2022	360,907	360,907	-	3,484,320	10.36 %
2021	397,230	397,230	-	2,713,385	14.64 %
2020	349,333	349,333	-	3,394,368	10.29 %
2019	351,547	351,547	-	2,941,945	11.95 %
2018	357,325	357,325	-	2,990,876	11.95 %
2017	362,742	362,742	-	2,950,690	12.29 %
2016	350,861	350,861	-	2,827,246	12.41 %

Notes to Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Wage Growth	2.75%
Inflation	2.25%
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 2017-2019.
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.

Note: The Library adopted GASB 68 in the fiscal year ended April 30, 2016, and will build a ten-year history prospectively.

See independent auditor's report.

**Northbrook Public Library
Other Postemployment Retiree Healthcare Plan
Multiyear Schedule of Changes in Net OPEB Liability and Related Ratios
Fiscal Year Ended April 30,**

	<u>2023</u>	<u>2022</u>
Total OPEB liability:		
Service cost	\$ 12,953	\$ 16,766
Interest on the total pension liability	10,784	13,643
Benefit changes	-	-
Difference between expected and actual changes	(50,317)	-
Assumption changes	(35,596)	-
Benefit payments and refunds	-	(55,886)
Other changes	25,477	-
	<u>(36,699)</u>	<u>(25,477)</u>
Net change in total OPEB liability		
	<u>245,481</u>	<u>270,958</u>
Total OPEB liability - beginning		
	<u>\$ 208,782</u>	<u>\$ 245,481</u>
Total OPEB liability - ending		
Plan fiduciary net position:		
Employer contributions	\$ 22,472	\$ 28,097
Employee contributions	-	-
OPEB plan net investment income	-	-
Benefit payments and refunds	(22,472)	(28,097)
Other	-	-
	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-
	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning		
	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position - ending		
	<u>\$ 208,782</u>	<u>\$ 245,481</u>
Net OPEB liability		
	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of total OPEB liability		
	<u>\$ 2,886,643</u>	<u>\$ 3,484,320</u>
Covered valuation payroll		
	<u>7.23%</u>	<u>7.05%</u>
Net OPEB liability as a percentage of covered valuation payroll		

Note: The Library adopted GASB 75 in the fiscal year ended April 30, 2019, and will build a ten-year history prospectively.

See independent auditor's report.

2021	2020	2019
\$ 16,766	\$ 10,913	\$ 10,913
13,643	18,137	18,137
-	-	-
(235,444)	-	-
15,638	-	9,271
(36,728)	(66,950)	(81,844)
37,900	-	30
(188,225)	(37,900)	(43,493)
459,183	497,083	540,576
\$ 270,958	\$ 459,183	\$ 497,083
\$ 36,728	\$ 66,950	\$ 81,844
-	-	-
-	-	-
(36,728)	(66,950)	(81,844)
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
\$ 270,958	\$ 459,183	\$ 497,083
0.00%	0.00%	0.00%
\$ 2,662,043	\$ 3,360,028	\$ 2,578,041
10.18%	13.67%	19.28%

-

SUPPLEMENTARY INFORMATION

Northbrook Public Library
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Salaries and employee benefits:				
General salaries and wages	\$ 3,869,725	\$ 4,027,820	\$ 3,920,270	\$ 107,550
Maintenance salaries and wages	168,975	154,680	172,053	(17,373)
Group insurance	695,000	730,000	673,498	56,502
Unemployment/workers' compensation	27,000	27,000	26,047	953
Staff development	70,000	60,000	58,301	1,699
	<u>4,830,700</u>	<u>4,999,500</u>	<u>4,850,169</u>	<u>149,331</u>
Total salaries and employee benefits				
Library materials and services:				
Books and materials	805,104	788,103	779,686	8,417
Audio visual materials	73,027	73,027	48,723	24,304
Video/DVDs	70,870	70,870	57,584	13,286
Programs	117,000	94,000	71,125	22,875
OCLC	22,000	22,000	26,683	(4,683)
CCS shared costs	80,000	80,000	78,410	1,590
	<u>1,168,001</u>	<u>1,128,000</u>	<u>1,062,211</u>	<u>65,789</u>
Total library materials and services				
Operational costs:				
Photocopy	37,500	30,000	24,857	5,143
Office and library supplies	70,000	70,000	56,483	13,517
Computer software and supplies	103,000	98,000	92,146	5,854
Postage	20,000	20,000	18,556	1,444
General insurance	63,000	68,000	71,158	(3,158)
Telephone	43,000	39,000	36,442	2,558
Professional services	275,000	322,000	309,174	12,826
Furniture and equipment	50,000	50,000	30,722	19,278
Equipment rental and maintenance	42,000	42,000	46,468	(4,468)
Community relations	44,000	51,000	47,434	3,566
	<u>747,500</u>	<u>790,000</u>	<u>733,440</u>	<u>56,560</u>
Total operational costs				

(cont'd)

Northbrook Public Library
General Fund
Schedule of Expenditures - Budget and Actual (cont'd)
For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Maintenance:				
Vehicle expense	\$ 3,000	\$ 3,000	\$ 810	\$ 2,190
Janitorial supplies	45,000	45,000	44,678	322
Utilities	54,000	53,000	50,656	2,344
Building repairs	30,000	30,000	41,207	(11,207)
Contracted services	135,000	146,000	144,868	1,132
Total maintenance	<u>267,000</u>	<u>277,000</u>	<u>282,219</u>	<u>(5,219)</u>
Other:				
Recruiting	500	1,000	420	580
Contingency	100,000	100,000	9,739	90,261
Board development	-	500	620	(120)
Total other	<u>100,500</u>	<u>101,500</u>	<u>10,779</u>	<u>90,721</u>
Gifts and designated	-	200,000	108,970	91,030
Total expenditures	<u>\$ 7,113,701</u>	<u>\$ 7,496,000</u>	<u>\$ 7,047,788</u>	<u>\$ 448,212</u>

See independent auditor's report.

Northbrook Public Library
Schedule of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual - Debt Service Fund
For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 758,249	\$ 757,550	\$ 745,395	\$ (12,155)
Interest income	-	-	172	172
Total revenues	<u>758,249</u>	<u>757,550</u>	<u>745,567</u>	<u>(11,983)</u>
Expenditures - debt service:				
Principal	382,172	390,000	390,000	-
Interest and fiscal charges	376,077	367,550	368,121	(571)
Total expenditures	<u>758,249</u>	<u>757,550</u>	<u>758,121</u>	<u>(571)</u>
Revenues over (under) expenditures before other financing sources	<u>-</u>	<u>-</u>	<u>(12,554)</u>	<u>(12,554)</u>
Other financing sources - transfers in	-	-	12,554	12,554
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>12,554</u>	<u>12,554</u>
Net change in fund deficit	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund deficit, beginning of the year			<u>(9,258)</u>	
Fund deficit, end of the year			<u>\$ (9,258)</u>	

See independent auditor's report.

Northbrook Public Library
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Capital Improvements Fund
For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Interest income	\$ 10,000	\$ 10,000	\$ 22,170	\$ 12,170
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>22,170</u>	<u>12,170</u>
Expenditures:				
Capital outlay:				
Renovations and repairs	908,000	540,725	259,387	281,338
Professional fees	75,000	75,525	16,193	59,332
Furniture and equipment	40,000	189,000	-	189,000
Total expenditures	<u>1,023,000</u>	<u>805,250</u>	<u>275,580</u>	<u>529,670</u>
Revenues under expenditures before other financing sources	(1,013,000)	(795,250)	(253,410)	541,840
Other financing sources:				
Transfers in	425,000	425,000	1,120,000	695,000
Insurance proceeds	-	-	25,893	25,893
Net change in fund balance	<u>\$ (588,000)</u>	<u>\$ (370,250)</u>	<u>892,483</u>	<u>\$ 1,236,840</u>
Fund balance, beginning of the year			<u>6,317,446</u>	
Fund balance, end of the year			<u>\$ 7,209,929</u>	

See independent auditor's report.