

LAKE VILLA PUBLIC LIBRARY
DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Library's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

October 30, 2023

Members of the Board of Trustees
Lake Villa Public Library District
Lindenhurst, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Villa Public Library District, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library'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 Lake Village Public Library District, Illinois, 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 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 the 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 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, the budgetary comparison schedules, and required pension reporting, as listed in the table of contents, 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.

Lake Villa Public Library District, Illinois
October 30, 2023

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lake Villa Public Library District, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are 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, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2023

Our discussion and analysis of the Lake Villa Public Library District's financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Library's financial statements.

FINANCIAL HIGHLIGHTS

- The Library's net position decreased from a balance of \$29,601,905 to \$29,226,483, a decrease of \$375,422 or 1.3 percent.
- During the year, government-wide revenues totaled \$5,058,153, while government-wide expenses totaled \$5,433,575, resulting in a decrease to net position of \$375,422.
- Total fund balances for the governmental funds were \$12,272,004 at June 30, 2023 compared to a balance of \$11,971,316 in the prior year, an increase of \$300,688 or 2.5 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.

For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operation in more detail than the government-wide statements by providing information about the Library's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business.

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2023

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements report functions of the Library that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the Library include the cultural function.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library only maintains governmental and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Library's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Library maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Bond and Interest Fund, and Special Reserve Fund, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2023

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Library adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$29,226,483.

	Net Position	
	2023	2022
Current and Other Assets	\$ 17,324,828	18,350,542
Capital Assets	22,626,943	23,137,982
Total Assets	39,951,771	41,488,524
Deferred Outflows	1,170,558	369,571
Total Assets/Deferred Outflows	41,122,329	41,858,095
Long-Term Debt Outstanding	6,641,519	5,528,190
Other Liabilities	318,623	320,173
Total Liabilities	6,960,142	5,848,363
Deferred Inflows	4,935,704	6,407,827
Total Liabilities/Deferred Inflows	11,895,846	12,256,190
Net Position		
Investment in Capital Assets	17,177,695	17,562,982
Restricted	389,713	360,767
Unrestricted	11,659,075	11,678,156
Total Net Position	29,226,483	29,601,905

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Management’s Discussion and Analysis
June 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

A large portion of the Library’s net position, \$17,177,695, or 58.8 percent, reflects its investment in capital assets (for example, land, buildings, computers, furniture, and equipment, library materials, and subscription assets), less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion, \$389,713, or 1.3 percent, of the Library’s net position represents resources that are subject to external restrictions on how they may be used, including \$219,139 for working cash, \$88,240 restricted for IMRF, \$37,506 restricted for social security, \$926 restricted for audit, and \$43,902 restricted for site and building. The remaining \$11,659,075, or 39.9 percent, represents unrestricted net position and may be used to meet the government’s ongoing obligations to citizens and creditors.

	Change in Net Position	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 3,298	3,096
Operating Grants/Contributions	58,718	59,407
General Revenues		
Property and Replacement Taxes	4,954,257	5,132,072
Interest	21,159	(699,341)
Miscellaneous	20,721	51,000
Total Revenues	<u>5,058,153</u>	<u>4,546,234</u>
Expenses		
Culture and Recreation	5,240,329	6,108,533
Interest on Long-Term Debt	193,246	198,762
	<u>5,433,575</u>	<u>6,307,295</u>
Change in Net Position	(375,422)	(1,761,061)
Net Position-Beginning	<u>29,601,905</u>	<u>31,362,966</u>
Net Position-Ending	<u><u>29,226,483</u></u>	<u><u>29,601,905</u></u>

Net position of the Library’s governmental activities decreased from a balance of \$29,601,905 to \$29,226,483.

Expenses of \$5,433,575 exceeded revenues of \$5,058,153, resulting in the decrease to net position in the current year of \$375,422.

Governmental Activities

In the current year, governmental net position decreased \$375,422, a decrease of 1.3 percent. Property and Replacement taxes decreased \$177,815 over the prior year (\$5,132,072 in 2022 compared to \$4,954,257 in 2023). The Library received the annual Per Capita grant of \$58,718 to help building improvements.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

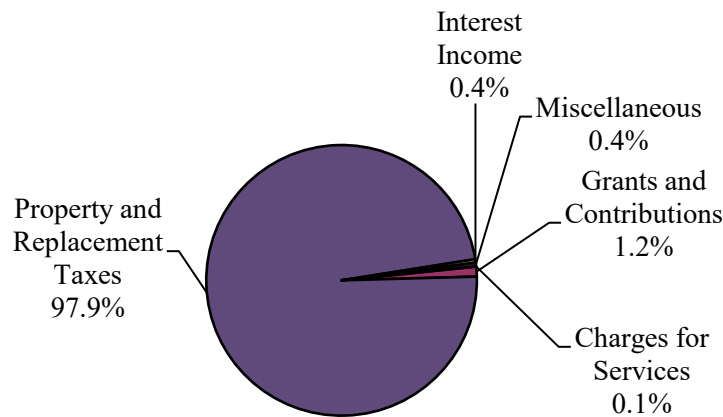
**Management’s Discussion and Analysis
June 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

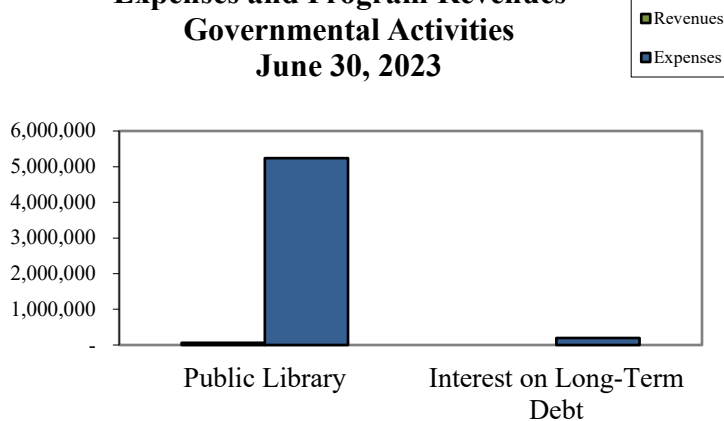
The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities.

**Revenues by Source - Governmental Activities
June 30, 2023**



The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues. The public library functions charge user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Library’s reliance on general revenues such as property taxes and personal property replacement taxes to fund operations.

**Expenses and Program Revenues -
Governmental Activities
June 30, 2023**



LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$12,272,004 which is 2.5 percent more than last year's ending fund balance of \$11,971,316.

In the current year, governmental fund balances increased by \$300,688. The General Fund reported a decrease of \$10,324, due primarily to tax revenues decreasing \$193,485 compared to prior year and transfers out to other funds. The Bond and Interest Fund had a decrease of \$1,713, due primarily to no taxes or interest revenue received in the current fiscal year. The Special Reserve Fund reported an increase of \$283,779, due primarily to \$545,000 transfer in from the General Fund for ongoing planned capital spending on the construction of the new library.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, no supplemental amendments were made to the budget for the General Fund.

The General Fund actual revenues were higher than budgeted revenues. Actual revenues for the current year were \$4,863,641, compared to budgeted revenues of \$4,852,692. This resulted primarily from intergovernmental and interest income being \$24,753 and \$5,846, respectively, higher than expected.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$3,654,663, while budgeted expenditures totaled \$3,887,054. This was due primarily to substantial savings realized versus the budgeted expenditures in all culture and recreation areas.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2023

CAPITAL ASSETS

The Library's investment in capital assets for its governmental activities as of June 30, 2023 was \$22,626,943 (net of accumulated depreciation). This investment in capital assets includes land, buildings, computers, furniture and equipment, library materials, and subscription assets.

	Capital Assets - Net of Depreciation	
	2023	2022
Land	\$ 2,490,608	2,490,608
Buildings	18,109,362	18,540,537
Computers, Furniture and Equipment	1,573,679	1,694,268
Library Materials	435,170	412,569
Subscription Assets - Software	18,124	-
Total	<u>22,626,943</u>	<u>23,137,982</u>

This year's additions to capital assets included:

Computers, Furniture and Equipment	\$ 98,221
Library Materials	234,419
Subscription Assets - Software	<u>21,748</u>
	<u>354,388</u>

Additional information on the Library's capital assets can be found in Note 3 of this report.

LONG-TERM DEBT

At year-end, the Library had total outstanding general obligation bonds of \$5,435,000 and subscriptions payable of \$14,248. The Library issued the general obligation bonds to fund the shortfall in the Special Reserve – Capital Projects Fund and to pay for the building of the new facility. Additional information on the Library's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For Fiscal Years 2023/2024 the Library choose a flat Property Tax Levy of \$4,907,005. For Fiscal Years 2024/2025 the Library Board recently voted to increase the Property Tax Levy to address cost increases.

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 the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Library Director, Lake Villa Public Library District, 140 North Munn Road, Lindenhurst, Illinois 60046.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Net Position
June 30, 2023**

See Following Page

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Net Position
June 30, 2023**

ASSETS	
Current Assets	
Cash and Investments	\$ 14,781,030
Receivables - Net of Allowances	
Property Taxes	<u>2,543,798</u>
Total Current Assets	<u>17,324,828</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	2,490,608
Depreciable and Amortizable	22,691,791
Accumulated Depreciation	<u>(2,555,456)</u>
Total Noncurrent Assets	<u>22,626,943</u>
Total Assets	39,951,771
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>1,170,558</u>
Total Assets and Deferred Outflows of Resources	<u>41,122,329</u>

The notes to the financial statements are an integral part of this statement.

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 73,361
Accrued Payroll	52,395
Accrued Interest Payable	15,872
Current Portion of Long-Term Debt	176,995
Total Current Liabilities	<u>318,623</u>
Noncurrent Liabilities	
Compensated Absences Payable	99,975
Net Pension Liability - IMRF	1,244,297
General Obligation Bonds	5,290,000
Subscriptions Payable	7,247
Total Noncurrent Liabilities	<u>6,641,519</u>
Total Liabilities	<u>6,960,142</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	4,927,068
Deferred Items - IMRF	8,636
Total Deferred Inflows of Resources	<u>4,935,704</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,895,846</u>

NET POSITION

Net Investment in Capital Assets	17,177,695
Restricted	
Property Tax Levies	
Working Cash	219,139
IMRF	88,240
Social Security	37,506
Audit	926
Site and Building	43,902
Unrestricted	<u>11,659,075</u>
Total Net Position	<u>29,226,483</u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended June 30, 2023**

	Expenses	Program Revenues Charges for Services	Operating Grants	Net (Expenses)/ Revenues and Changes in Net Position
Governmental Activities				
Culture and Recreation	\$ 5,240,329	3,298	58,718	(5,178,313)
Interest on Long-Term Debt	193,246	-	-	(193,246)
	<u>5,433,575</u>	<u>3,298</u>	<u>58,718</u>	<u>(5,371,559)</u>
		General Revenues		
		Taxes		
		Property Taxes		4,906,801
		Intergovernmental - Unrestricted		
		Personal Property		
		Replacement Taxes		47,456
		Interest Income		21,159
		Miscellaneous		20,721
				<u>4,996,137</u>
		Change in Net Position		(375,422)
		Net Position - Beginning		<u>29,601,905</u>
		Net Position - Ending		<u>29,226,483</u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2023**

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
ASSETS					
Cash and Investments	\$ 4,726,874	2,792	9,856,009	195,355	14,781,030
Receivables - Net of Allowances					
Property Taxes	2,543,798	-	-	-	2,543,798
Total Assets	7,270,672	2,792	9,856,009	195,355	17,324,828
LIABILITIES					
Accounts Payable	54,489	-	-	18,872	73,361
Accrued Payroll	46,486	-	-	5,909	52,395
Total Liabilities	100,975	-	-	24,781	125,756
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	4,927,068	-	-	-	4,927,068
Total Liabilities and Deferred Inflows of Resources	5,028,043	-	-	24,781	5,052,824
FUND BALANCES					
Restricted	219,139	2,792	-	170,574	392,505
Assigned	-	-	9,856,009	-	9,856,009
Unassigned	2,023,490	-	-	-	2,023,490
Total Fund Balances	2,242,629	2,792	9,856,009	170,574	12,272,004
Total Liabilities, Deferred Inflows of Resources and Fund Balances	7,270,672	2,792	9,856,009	195,355	17,324,828

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

June 30, 2023

Total Fund Balances	\$ 12,272,004
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	22,626,943
Deferred (Inflows)/Outflows of Resources related to IMRF not reported in the funds. Deferred Items - IMRF	1,161,922
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(124,969)
Net Pension Liability - IMRF	(1,244,297)
General Obligation Bonds Payable	(5,435,000)
Subscriptions Payable	(14,248)
Accrued Interest Payable	<u>(15,872)</u>
Net Position	<u><u>29,226,483</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2023**

	General	Debt Service <u>Bond and</u> Interest	Capital Projects <u>Special</u> Reserve	Nonmajor	Totals
Revenues					
Taxes	\$ 4,727,602	-	-	179,199	4,906,801
Intergovernmental	106,174	-	-	-	106,174
Fines and Forfeitures	3,298	-	-	-	3,298
Interest Income	5,846	-	15,313	-	21,159
Miscellaneous	20,721	-	-	-	20,721
Total Revenues	<u>4,863,641</u>	<u>-</u>	<u>15,313</u>	<u>179,199</u>	<u>5,058,153</u>
Expenditures					
Culture and Recreation	3,647,163	-	276,534	514,303	4,438,000
Debt Service					
Principal Retirement	7,500	140,000	-	-	147,500
Interest and Fiscal Charges	-	193,713	-	-	193,713
Total Expenditures	<u>3,654,663</u>	<u>333,713</u>	<u>276,534</u>	<u>514,303</u>	<u>4,779,213</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	<u>1,208,978</u>	<u>(333,713)</u>	<u>(261,221)</u>	<u>(335,104)</u>	<u>278,940</u>
Other Financing Sources (Uses)					
Debt Issuance	21,748	-	-	-	21,748
Transfers In	-	332,000	545,000	364,050	1,241,050
Transfers Out	(1,241,050)	-	-	-	(1,241,050)
	<u>(1,219,302)</u>	<u>332,000</u>	<u>545,000</u>	<u>364,050</u>	<u>21,748</u>
Net Change in Fund Balances					
	(10,324)	(1,713)	283,779	28,946	300,688
Fund Balances - Beginning					
	<u>2,252,953</u>	<u>4,505</u>	<u>9,572,230</u>	<u>141,628</u>	<u>11,971,316</u>
Fund Balances - Ending					
	<u>2,242,629</u>	<u>2,792</u>	<u>9,856,009</u>	<u>170,574</u>	<u>12,272,004</u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances	\$ 300,688
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Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	354,388
Depreciation Expense	(865,427)
Disposal - Cost	(189,359)
Disposal - Accumulated Depreciation	189,359

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	2,273,405
---------------------------------	-----------

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(8,482)
Change in Net Pension Liability - IMRF	(2,556,213)
Issuance of Debt	(21,748)
Retirement of Debt	147,500
Change in Accrued Interest Payable	467

Changes in Net Position	<u>(375,422)</u>
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The notes to the financial statements are in integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lake Villa Public Library District (Library) of Illinois is located in Lake Villa, Illinois. The purpose of the Library is to provide and ensure access to materials and services to meet the lifelong learning needs of residents and organizations, as well as to create a welcoming place to gather, exchange ideas and participate in cultural events.

REPORTING ENTITY

In determining the financial reporting entity, the Library complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the Library. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Library’s basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library’s major funds). The Library only reports governmental activities.

In the government-wide Statement of Net Position, the governmental activities is (a) presented on a consolidated basis, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Library’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Library’s functions. The functions are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Library as an entity and the change in the Library’s net position resulting from the current year’s activities.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Library electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Library or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Library:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Library:

General fund is the general operating fund of the Library. It accounts for all revenues and expenditures of the Library which are not accounted for in other funds. The General Fund is a major fund and includes the Library Account, the Working Cash Account and the Public Library Insurance Account.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Library maintains three nonmajor special revenue funds, which include the Illinois Municipal Retirement Fund, the Social Security Fund, and the Audit Fund.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Bond and Interest Fund is treated as a major fund and is used to account for the proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Library maintains one major capital projects fund, the Special Reserve Fund, which is used to account for capital improvements at the Library. The Library also maintains one nonmajor capital projects fund, the Site and Building Fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental funds are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is utilized.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$5,000 are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	10 - 45 Years
Computers, Furniture and Equipment	10 - 20 Years
Library Materials	10 Years
Subscription Assets - Software	3 Years

Compensated Absences

The Library accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the 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 legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Library establishes the budgetary data reflected in the financial statements by the passage of a combined budget and appropriation and levy ordinance prior to the statutory deadline. The amounts presented in the statements reflect the budgeted amounts. Expenditures for any fund should not exceed the amount appropriated for the fund.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Bond and Interest	\$ 451
Social Security	1,352

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Library's funds.

Permitted Deposits and Investments – Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$5,351,776 and the bank balances totaled \$5,359,918.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

Investments. The Library has the following investment fair values and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	\$ 2,823,234	1,567,640	1,255,594	-	-
U.S. Agency Securities	6,606,020	1,638,221	3,948,562	214,423	804,814
	9,429,254	3,205,861	5,204,156	214,423	804,814

The Library has the following recurring fair value measurements as of year-end:

- U.S. Treasury Securities of \$2,823,234 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Securities of \$6,606,020 are valued using a matrix pricing model (Level 2 inputs)

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library’s investment policy does not specifically limit the maximum maturity length of investments.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in securities authorized by State statute, the Library’s investment policy does not further mitigate credit risk. At year-end, the Library’s investments in the U.S. Agency securities were rated AA to Aa by Moody’s.

Concentration Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Library’s investment in a single issuer. The Library’s investment policy does not mitigate concentration risk. At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. The Library’s investment policy requires that deposit with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the Library. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

Custodial Credit Risk – Continued. For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

PROPERTY TAXES

Property taxes for the 2022 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are collected in two installments in June and September. The County collects such taxes and remits them periodically.

CAPITAL ASSETS

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,490,608	-	-	2,490,608
Depreciable and Amortizable Capital Assets				
Buildings	19,402,888	-	-	19,402,888
Computers, Furniture and Equipment	2,109,844	98,221	-	2,208,065
Library Materials	1,014,030	234,419	189,359	1,059,090
Subscription Assets - Software	-	21,748	-	21,748
	<u>22,526,762</u>	<u>354,388</u>	<u>189,359</u>	<u>22,691,791</u>
Less Accumulated Depreciation and Amortization				
Buildings	862,351	431,175	-	1,293,526
Computers, Furniture and Equipment	415,576	218,810	-	634,386
Library Materials	601,461	211,818	189,359	623,920
Subscription Assets - Software	-	3,624	-	3,624
	<u>1,879,388</u>	<u>865,427</u>	<u>189,359</u>	<u>2,555,456</u>
Total Depreciable and Amortizable Capital Assets	<u>20,647,374</u>	<u>(511,039)</u>	<u>-</u>	<u>20,136,335</u>
Total Capital Assets	<u>23,137,982</u>	<u>(511,039)</u>	<u>-</u>	<u>22,626,943</u>

Depreciation expense of \$865,427 was charged to the culture and recreation function.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Bond and Interest	General	\$ 332,000
Special Reserve	General	545,000
Nonmajor Governmental	General	<u>364,050</u>
		<u><u>1,241,050</u></u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LONG-TERM DEBT

General Obligation Bonds

The Library issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Library. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2017, due in annual installments of \$120,000 to \$330,000 plus interest at 3.00% to 4.00% through June 1, 2047.	Bond and Interest	\$ 5,575,000	-	140,000	<u><u>5,435,000</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Subscriptions Payable

The Library has the following subscriptions payable at year end:

Subscription	Term	Start Date	Payments	Interest Rate
Communico	3 Years	November 27, 2022	\$7,500 annually	3.50%

The future principal and interest subscriptions payable payments as of the year-end are as follows:

Fiscal Year Ending	Principal	Interest
2024	\$ 7,001	499
2025	7,247	253
	<u>14,248</u>	<u>752</u>

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 116,487	16,964	8,482	124,969	24,994
Net Pension Liability/(Asset) - IMRF	(1,311,916)	2,556,213	-	1,244,297	-
General Obligation Bonds	5,575,000	-	140,000	5,435,000	145,000
Subscriptions Payable	-	21,748	7,500	14,248	7,001
	<u>4,379,571</u>	<u>2,594,925</u>	<u>155,982</u>	<u>6,818,514</u>	<u>176,995</u>

Payments on the compensated absences, net pension liability, and subscriptions payable are generally made by the General Fund. Payments on the general obligation bonds are made by the Bond and Interest Fund.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2024	\$ 145,000	187,562
2025	150,000	181,662
2026	155,000	175,562
2027	165,000	169,162
2028	170,000	162,462
2029	180,000	156,362
2030	185,000	150,887
2031	190,000	145,262
2032	195,000	139,487
2033	200,000	133,312
2034	210,000	126,650
2035	215,000	119,744
2036	225,000	112,453
2037	235,000	104,691
2038	240,000	96,676
2039	245,000	88,338
2040	255,000	79,588
2041	265,000	70,488
2042	275,000	61,038
2043	285,000	51,238
2044	295,000	40,793
2045	305,000	29,693
2046	320,000	18,130
2047	330,000	6,105
Total	<u>5,435,000</u>	<u>2,607,345</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2022	<u>\$ 1,045,114,735</u>
Legal Debt Limit - 2.875% of Assessed Value	30,047,049
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>5,435,000</u>
Legal Debt Margin	<u>24,612,049</u>

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following at year-end:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 22,626,943
Less Capital Related Debt:	
General Obligation Bonds	(5,435,000)
Subscriptions Payable	<u>(14,248)</u>
Net Investment in Capital Assets	<u>17,177,695</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCES CLASSIFICATIONS

In the governmental funds financial statements, the Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Library's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Library's policy states that the General Fund should represent a minimum fund balance of no less than three months and no more than six months of operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to other funds at the discretion of the Board.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCES CLASSIFICATIONS – Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
Restricted					
Working Cash	\$ 219,139	-	-	-	219,139
IMRF	-	-	-	88,240	88,240
Social Security	-	-	-	37,506	37,506
Audit	-	-	-	926	926
Site and Building	-	-	-	43,902	43,902
Debt Service	-	2,792	-	-	2,792
	<u>219,139</u>	<u>2,792</u>	<u>-</u>	<u>170,574</u>	<u>392,505</u>
Assigned					
Other Purposes	-	-	9,856,009	-	9,856,009
Unassigned					
	<u>2,023,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,023,490</u>
Total Fund Balances	<u><u>2,242,629</u></u>	<u><u>2,792</u></u>	<u><u>9,856,009</u></u>	<u><u>170,574</u></u>	<u><u>12,272,004</u></u>

NOTE 4 – OTHER INFORMATION

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; natural disasters; and injuries to the Library’s employees. These risks are provided for through insurance from private insurance companies. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Library expects such amounts, if any, to be immaterial.

Litigation

The Library is currently not involved in any litigation.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The Library contributes to one defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF). IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement System

Plan Description

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). 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 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.

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	39
Inactive Plan Members Entitled to but not yet Receiving Benefits	19
Active Plan Members	<u>40</u>
Total	<u><u>98</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Contributions. As set by statute, the Library’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. For the year-ended June 30, 2023, the District’s contribution was 8.11% of covered payroll.

Net Pension Liability. The Library’s net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For nondisabled 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.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Actuarial Assumptions - Continued. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Library contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate as well as what the District’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 2,536,640	1,244,297	172,913

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2021	\$ 10,842,660	12,154,576	(1,311,916)
Changes for the year:			
Service Cost	187,314	-	187,314
Interest on the Total Pension Liability	770,112	-	770,112
Difference Between Expected and Actual Experience of the Total Pension Liability	77,892	-	77,892
Changes of Assumptions	-	-	-
Contributions - Employer	-	171,485	(171,485)
Contributions - Employees	-	85,934	(85,934)
Net Investment Income	-	(1,679,701)	1,679,701
Benefit Payments, including Refunds of Employee Contributions	(628,165)	(628,165)	-
Other (Net Transfer)	-	(98,613)	98,613
Net Changes	407,153	(2,149,060)	2,556,213
Balances at December 31, 2022	11,249,813	10,005,516	1,244,297

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2023**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Library recognized pension expense of \$444,623. At June 30, 2023, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 191,285	-	191,285
Changes of Assumptions	-	(8,636)	(8,636)
Net difference Between Projected and Actual Earnings on Pension Plan Investments	905,701	-	905,701
Total Pension Expense to be Recognized in Future Periods	1,096,986	(8,636)	1,088,350
Pension Contributions Made Subsequent to the Measurement Date	73,572	-	73,572
Total Deferred Amounts Related to Pensions	1,170,558	(8,636)	1,161,922

\$73,572 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. 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:

Fiscal Year	Net Deferred Outflows of Resources
2024	\$ 74,389
2025	205,146
2026	300,038
2027	508,777
2028	-
Thereafter	-
	<u>1,088,350</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 4 – OTHER INFORMATION – Continued

POST-EMPLOYMENT BENEFITS

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Library are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additionally, the Library provides no explicit benefit. Therefore, the Library has not recorded a liability as of June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 172,236	\$ 175,107	\$ 2,871	\$ 1,512,168	11.58%
2016	150,440	150,440	-	1,511,957	9.95%
2017	150,325	150,325	-	1,551,343	9.69%
2018	153,709	153,709	-	1,535,689	10.01%
2019	129,641	129,641	-	1,506,746	8.60%
2020	152,039	152,039	-	1,645,461	9.24%
2021	189,148	189,148	-	1,755,267	10.78%
2022	178,345	178,345	-	1,831,001	9.74%
2023	161,815	161,815	-	1,996,070	8.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
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:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability /(Asset)

June 30, 2023

	12/31/14	12/31/15
Total Pension Liability		
Service Cost	\$ 194,748	177,509
Interest	487,736	536,349
Differences Between Expected and Actual Experience	(91,045)	30,126
Change of Assumptions	292,153	18,602
Benefit Payments, Including Refunds of Member Contributions	(214,652)	(238,932)
Net Change in Total Pension Liability	668,940	523,654
Total Pension Liability - Beginning	6,513,092	7,182,032
Total Pension Liability - Ending	7,182,032	7,705,686
Plan Fiduciary Net Position		
Contributions - Employer	\$ 175,107	150,440
Contributions - Members	69,182	68,038
Net Investment Income	411,033	35,939
Benefit Payments, Including Refunds of Member Contributions	(214,652)	(238,932)
Other (Net Transfer)	33,903	(186,353)
Net Change in Plan Fiduciary Net Position	474,573	(170,868)
Plan Net Position - Beginning	6,723,435	7,198,008
Plan Net Position - Ending	7,198,008	7,027,140
Employer's Net Pension Liability/(Asset)	\$ (15,976)	678,546
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.22%	91.19%
Covered Payroll	\$ 1,512,168	1,511,957
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(1.06%)	44.88%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014 and 2017.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
172,179	173,730	159,321	165,073	182,792	170,910	187,314
572,763	602,930	614,353	665,899	697,406	729,117	770,112
(55,725)	(25,420)	405,725	106,094	201,650	268,617	77,892
(19,225)	(234,250)	247,525	-	(63,194)	-	-
(269,041)	(308,872)	(406,080)	(466,655)	(556,019)	(594,629)	(628,165)
400,951	208,118	1,020,844	470,411	462,635	574,015	407,153
7,705,686	8,106,637	8,314,755	9,335,599	9,806,010	10,268,645	10,842,660
8,106,637	8,314,755	9,335,599	9,806,010	10,268,645	10,842,660	11,249,813
150,325	157,362	147,409	120,551	191,230	185,235	171,485
69,810	69,561	67,481	73,407	75,140	79,236	85,934
482,770	1,327,878	(508,114)	1,587,234	1,348,517	1,855,702	(1,679,701)
(269,041)	(308,872)	(406,080)	(466,655)	(556,019)	(594,629)	(628,165)
33,137	(112,543)	194,255	(35,159)	147,365	20,943	(98,613)
467,001	1,133,386	(505,049)	1,279,378	1,206,233	1,546,487	(2,149,060)
7,027,140	7,494,141	8,627,527	8,122,478	9,401,856	10,608,089	12,154,576
7,494,141	8,627,527	8,122,478	9,401,856	10,608,089	12,154,576	10,005,516
612,496	(312,772)	1,213,121	404,154	(339,444)	(1,311,916)	1,244,297
92.44%	103.76%	87.01%	95.88%	103.31%	112.10%	88.94%
1,551,343	1,545,791	1,499,579	1,631,267	1,669,757	1,760,787	1,909,623
39.48%	(20.23%)	80.90%	24.78%	(20.33%)	(74.51%)	65.16%

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,746,771	4,727,602
Intergovernmental	81,421	106,174
Fines and Forfeitures	24,500	3,298
Interest Income	-	5,846
Miscellaneous	-	20,721
Total Revenues	<u>4,852,692</u>	<u>4,863,641</u>
Expenditures		
Culture and Recreation		
Contractual Services	466,854	420,836
Personnel	2,641,200	2,517,526
Library Materials	611,700	580,069
Operations	167,300	128,732
Debt Service		
Principal Retirement	-	7,500
Total Expenditures	<u>3,887,054</u>	<u>3,654,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>965,638</u>	<u>1,208,978</u>
Other Financing (Uses)		
Debt Issuance	-	21,748
Transfers Out	<u>(966,792)</u>	<u>(1,241,050)</u>
	<u>(966,792)</u>	<u>(1,219,302)</u>
Net Change in Fund Balance	<u>(1,154)</u>	(10,324)
Fund Balance - Beginning		<u>2,252,953</u>
Fund Balance - Ending		<u><u>2,242,629</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund - by Account
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
- Budgetary Comparison Schedules - General Fund - by Account
 - Library Account
 - Working Cash Account
 - Public Library Insurance Account
- Budgetary Comparison Schedules - Major Governmental Funds
 - Bond and Interest - Debt Service Fund
 - Special Reserve - Capital Projects Fund
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
 - Illinois Municipal Retirement - Special Revenue Fund
 - Social Security - Special Revenue Fund
 - Audit - Special Revenue Fund
 - Site and Building - Capital Projects Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for the Library's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy which produces a sufficient amount to pay the Library's contributions to the fund on behalf of its employees.

Social Security Fund

The Social Security Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for payment of the employer's portion of Federal Social Security and Medicare taxes.

Audit Fund

The Audit Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the annual audit of the Library.

DEBT SERVICE FUND

The Debt Service Fund is used to account for proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

Special Reserve Fund

The Special Reserve Fund is used to account for capital improvements at the library.

Site and Building Fund

The Site and Building Fund is used to account for maintenance costs on the Library's facility.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Combining Balance Sheet - General Fund - by Account
June 30, 2023**

	Library	Working Cash	Public Liability Insurance	Totals
ASSETS				
Cash and Investments	\$ 4,501,505	219,139	6,230	4,726,874
Receivables - Net of Allowances				
Property Taxes	2,543,798	-	-	2,543,798
Total Assets	7,045,303	219,139	6,230	7,270,672
LIABILITIES				
Accounts Payable	54,489	-	-	54,489
Accrued Payroll	46,486	-	-	46,486
Total Liabilities	100,975	-	-	100,975
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,927,068	-	-	4,927,068
Total Liabilities and Deferred Inflows of Resources	5,028,043	-	-	5,028,043
FUND BALANCES				
Restricted	-	219,139	-	219,139
Unassigned	2,017,260	-	6,230	2,023,490
Total Fund Balances	2,017,260	219,139	6,230	2,242,629
Total Liabilities, Deferred Inflows of Resources and Fund Balances	7,045,303	219,139	6,230	7,270,672

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - by Account

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	Library	
	Budget Original and Final	Actual
Revenues		
Taxes	\$ 4,746,771	4,727,602
Intergovernmental	81,421	106,174
Fines and Forfeitures	24,500	3,298
Interest Income	-	5,846
Miscellaneous	-	20,721
Total Revenues	<u>4,852,692</u>	<u>4,863,641</u>
Expenditures		
Culture and Recreation		
Contractual Services	433,700	383,903
Personnel	2,641,200	2,517,526
Library Materials	611,700	580,069
Operations	167,300	128,732
Debt Service		
Principal Retirement	-	7,500
Total Expenditures	<u>3,853,900</u>	<u>3,617,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>998,792</u>	<u>1,245,911</u>
Other Financing Sources (Uses)		
Debt Issuance	-	21,748
Transfers In	-	-
Transfers Out	(1,002,792)	(1,277,050)
	<u>(1,002,792)</u>	<u>(1,255,302)</u>
Net Change in Fund Balance	<u>(4,000)</u>	(9,391)
Fund Balance - Beginning		<u>2,026,651</u>
Fund Balance - Ending		<u>2,017,260</u>

Working Cash		Public Liability Insurance		Totals	
Budget		Budget		Budget	
Original and Final	Actual	Original and Final	Actual	Original and Final	Actual
-	-	-	-	4,746,771	4,727,602
-	-	-	-	81,421	106,174
-	-	-	-	24,500	3,298
-	-	-	-	-	5,846
-	-	-	-	-	20,721
-	-	-	-	4,852,692	4,863,641
-	-	33,154	36,933	466,854	420,836
-	-	-	-	2,641,200	2,517,526
-	-	-	-	611,700	580,069
-	-	-	-	167,300	128,732
-	-	-	-	-	7,500
-	-	33,154	36,933	3,887,054	3,654,663
-	-	(33,154)	(36,933)	965,638	1,208,978
-	-	-	-	-	21,748
-	-	36,000	36,000	36,000	36,000
-	-	-	-	(1,002,792)	(1,277,050)
-	-	36,000	36,000	(966,792)	(1,219,302)
-	-	<u>2,846</u>	(933)	<u>(1,154)</u>	(10,324)
	<u>219,139</u>		<u>7,163</u>		<u>2,252,953</u>
	<u>219,139</u>		<u>6,230</u>		<u>2,242,629</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,746,771	4,727,602
Intergovernmental	81,421	106,174
Fines and Forfeitures	24,500	3,298
Interest Income	-	5,846
Miscellaneous	-	20,721
Total Revenues	<u>4,852,692</u>	<u>4,863,641</u>
Expenditures		
Culture and Recreation		
Contractual Services	433,700	383,903
Personnel	2,641,200	2,517,526
Library Materials	611,700	580,069
Operations	167,300	128,732
Debt Service		
Principal Retirement	-	7,500
Total Expenditures	<u>3,853,900</u>	<u>3,617,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>998,792</u>	<u>1,245,911</u>
Other Financing (Uses)		
Debt Issuance	-	21,748
Transfers Out	(1,002,792)	(1,277,050)
	<u>(1,002,792)</u>	<u>(1,255,302)</u>
Net Change in Fund Balance	<u>(4,000)</u>	(9,391)
Fund Balance - Beginning		<u>2,026,651</u>
Fund Balance - Ending		<u><u>2,017,260</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	
	Original and Final	Actual
Taxes		
Property Taxes	\$ 4,746,771	4,727,602
Intergovernmental		
Replacement Taxes	22,014	47,456
Per Capita Grant	59,407	58,718
	<u>81,421</u>	<u>106,174</u>
Fines and Forfeitures	<u>24,500</u>	<u>3,298</u>
Interest Income	<u>-</u>	<u>5,846</u>
Miscellaneous		
Photocopies	-	12,936
Lost Materials	-	1,506
Miscellaneous	-	6,279
	<u>-</u>	<u>20,721</u>
Total Revenues	<u>4,852,692</u>	<u>4,863,641</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Culture and Recreation		
Contractual Services		
Equipment Maintenance	\$ 21,000	20,759
Telephone System	1,000	-
Information Technology	228,200	207,669
Legal	11,000	7,724
Other Consultants	7,000	4,180
Other Collection Agency	1,000	-
Other Contractual	8,000	7,801
Printing	28,500	33,203
Programs and Promotions	128,000	102,567
	<u>433,700</u>	<u>383,903</u>
Personnel		
Continuing Education	34,000	12,067
Benefits	215,000	190,167
Salaries	2,370,000	2,302,599
Recruitment	200	132
Staff Development	22,000	12,561
	<u>2,641,200</u>	<u>2,517,526</u>
Library Materials		
Interlibrary Loan	200	25
Nonprint	90,000	82,621
Online	274,500	259,988
Print	239,000	234,419
Micellaneous	8,000	3,016
	<u>611,700</u>	<u>580,069</u>
Operations		
Equipment and Furniture	47,000	25,184
Postage	17,500	13,533
Supplies	45,000	39,882
Utilities	57,800	46,657
Miscellaneous	-	3,476
	<u>167,300</u>	<u>128,732</u>
Debt Service		
Principal Retirement	-	7,500
	<u>-</u>	<u>7,500</u>
Total Expenditures	<u><u>3,853,900</u></u>	<u><u>3,617,730</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Working Cash Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest Income	\$ -	-
Expenditures		
Culture and Recreation	-	-
Net Change in Fund Balance	<u>-</u>	-
Fund Balance - Beginning		<u>219,139</u>
Fund Balance - Ending		<u>219,139</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Public Liability Insurance Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Interest Income	\$ -	-
Expenditures		
Culture and Recreation		
Contractual Services		
Liability Insurance and Unemployment Premiums	<u>33,154</u>	<u>36,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,154)	(36,933)
Other Financing Sources		
Transfers In	<u>36,000</u>	<u>36,000</u>
Net Change in Fund Balance	<u>2,846</u>	(933)
Fund Balance - Beginning		<u>7,163</u>
Fund Balance - Ending		<u>6,230</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Bond and Interest - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Interest Income	\$ -	-
Expenditures		
Debt Service		
Principal Payments	140,000	140,000
Interest and Fiscal Charges	193,262	193,713
Total Expenditures	<u>333,262</u>	<u>333,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(333,262)	(333,713)
Other Financing Sources		
Transfers In	<u>332,000</u>	<u>332,000</u>
Net Change in Fund Balance	<u>(1,262)</u>	(1,713)
Fund Balance - Beginning		<u>4,505</u>
Fund Balance - Ending		<u><u>2,792</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Special Reserve - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u> Original and Final	<u>Actual</u>
Revenues		
Interest Income	\$ -	15,313
Miscellaneous	4,000	-
Total Revenues	<u>4,000</u>	<u>15,313</u>
Expenditures		
Culture and Recreation Operations Building Repair and Maintenance	<u>592,500</u>	<u>276,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(588,500)	(261,221)
Other Financing Sources		
Transfers In	<u>-</u>	<u>545,000</u>
Net Change in Fund Balance	<u>(588,500)</u>	283,779
Fund Balance - Beginning		<u>9,572,230</u>
Fund Balance - Ending		<u>9,856,009</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2023

	Special Revenue			Capital Projects	Total
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	
ASSETS					
Cash and Investments	\$ 110,357	40,170	926	43,902	195,355
Receivables - Net of Allowances					
Property Taxes	-	-	-	-	-
Total Assets	<u>110,357</u>	<u>40,170</u>	<u>926</u>	<u>43,902</u>	<u>195,355</u>
LIABILITIES					
Accounts Payable	18,872	-	-	-	18,872
Accrued Payroll	3,245	2,664	-	-	5,909
Total Liabilities	<u>22,117</u>	<u>2,664</u>	<u>-</u>	<u>-</u>	<u>24,781</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>22,117</u>	<u>2,664</u>	<u>-</u>	<u>-</u>	<u>24,781</u>
FUND BALANCES					
Restricted	<u>88,240</u>	<u>37,506</u>	<u>926</u>	<u>43,902</u>	<u>170,574</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>110,357</u>	<u>40,170</u>	<u>926</u>	<u>43,902</u>	<u>195,355</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023**

	Special Revenue			Capital Projects	Totals
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	
Revenues					
Taxes	\$ -	-	-	179,199	179,199
Expenditures					
Culture and Recreation					
Contractual Services	-	-	9,050	-	9,050
Personnel	159,376	172,352	-	-	331,728
Operations	-	-	-	173,525	173,525
Total Expenditures	159,376	172,352	9,050	173,525	514,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,376)	(172,352)	(9,050)	5,674	(335,104)
Other Financing Sources					
Transfers In	185,000	170,000	9,050	-	364,050
Net Change in Fund Balances	25,624	(2,352)	-	5,674	28,946
Fund Balances - Beginning	62,616	39,858	926	38,228	141,628
Fund Balances - Ending	88,240	37,506	926	43,902	170,574

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest Income	\$ -	-
Expenditures		
Culture and Recreation		
Personnel		
Illinois Municipal Retirement	<u>185,000</u>	<u>159,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,000)	(159,376)
Other Financing Sources		
Transfers In	<u>185,000</u>	<u>185,000</u>
Net Change in Fund Balance	<u>-</u>	25,624
Fund Balance - Beginning		<u>62,616</u>
Fund Balance - Ending		<u><u>88,240</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Social Security - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest Income	\$ -	-
Expenditures		
Culture and Recreation		
Personnel		
Social Security	<u>171,000</u>	<u>172,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(171,000)	(172,352)
Other Financing Sources		
Transfers In	<u>170,000</u>	<u>170,000</u>
Net Change in Fund Balance	<u>(1,000)</u>	(2,352)
Fund Balance - Beginning		<u>39,858</u>
Fund Balance - Ending		<u><u>37,506</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Audit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest Income	\$ -	-
Expenditures		
Culture and Recreation		
Contractual Services		
Audit	<u>9,050</u>	<u>9,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,050)	(9,050)
Other Financing Sources		
Transfers In	<u>9,050</u>	<u>9,050</u>
Net Change in Fund Balance	<u>-</u>	-
Fund Balance - Beginning		<u>926</u>
Fund Balance - Ending		<u><u>926</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Site and Building - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	
	Original and Final	<u>Actual</u>
Revenues		
Taxes		
Property Taxes	\$ 180,002	179,199
Expenditures		
Culture and Recreation		
Operations		
Building and Grounds Improvement and Maintenance	<u>190,142</u>	<u>173,525</u>
Net Change in Fund Balance	<u>(10,140)</u>	5,674
Fund Balance - Beginning		<u>38,228</u>
Fund Balance - Ending		<u><u>43,902</u></u>