



**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2023

SIKICH.COM

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Members of the Public Library Board
Westchester Public Library
Westchester, Illinois

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Westchester Public Library, Westchester, Illinois (the Library) as of and for the year ended April 30, 2023, and the related notes to financial statements which collectively comprise the Library's basic financial statements as listed in the table of contents.

Basis for Qualified Opinion on the Allocation of the Net Pension Liability (Asset)

The allocation of the net pension liability (asset), deferred outflows and inflows and their effect on the pension expense between the Village of Westchester and the Library have not been audited, and we were not engaged to audit the allocation as part of our audit of the Library's basic financial statements. The allocated items above are included in the Library's basic financial statements and represent 7.82%, 33.64% and 1.33% of the assets and deferred outflows, liabilities and deferred inflows, and expenses, respectively, of the Library's statement of net position.

Qualified Opinions

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion on the Allocation of the Net Pension Liability (Asset) paragraph, the basic financial statements, referred to above, present fairly, in all material respects, the respective financial position of the governmental activities of the Westchester Public Library, Westchester, Illinois, as of April 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.

Unmodified Opinions

In our opinion, the government fund financial statements, referred to above, present fairly, in all material respects, the balance sheet of the major fund of the Westchester Public Library, Westchester, Illinois, as of April 30, 2023, and the respective changes in fund balance 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 (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 12 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 GAAS 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 GAAS, 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.

Other Matters

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Sikich LLP

Naperville, Illinois
October 13 2023

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2023

ASSETS

Cash	\$ 1,279,572
Investments	454,890
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)	
Property Taxes	644,371
Intergovernmental	69,515
Prepays	19,577
Capital Assets	
Nondepreciable	48,000
Depreciable, Net of Accumulated Depreciation	<u>1,706,827</u>
 Total Assets	 4,222,752

DEFERRED OUTFLOWS OF RESOURCES

Pension Related Amounts	<u>357,993</u>
 Total Assets and Deferred Outflows of Resources	 <u>4,580,745</u>

LIABILITIES

Accounts Payable	48,434
Accrued Payroll	23,519
Noncurrent Liabilities	
Due Within One Year	60,106
Due in More Than One Year	<u>287,711</u>
 Total Liabilities	 <u>419,770</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Revenue - Property Taxes	<u>644,371</u>
 Total Deferred Inflows of Resources	 <u>644,371</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>1,064,141</u>

NET POSITION

Net Investment in Capital Assets	1,754,827
Unrestricted	<u>1,761,777</u>
 TOTAL NET POSITION	 <u><u>\$ 3,516,604</u></u>

See accompanying notes to financial statements.

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
PRIMARY GOVERNMENT					
Governmental Activities					
Culture and Recreation	\$ 1,458,536	\$ 3,886	\$ 28,696	\$ -	\$ (1,425,954)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,458,536</u>	<u>\$ 3,886</u>	<u>\$ 28,696</u>	<u>\$ -</u>	<u>(1,425,954)</u>
	General Revenues				
	Taxes				
	Property and Replacement				1,406,108
	Investment Income				6,416
	Miscellaneous				<u>6,756</u>
	Total				<u>1,419,280</u>
	CHANGE IN NET POSITION				(6,674)
	NET POSITION, MAY 1				<u>3,523,278</u>
	NET POSITION, APRIL 30				<u><u>\$ 3,516,604</u></u>

See accompanying notes to financial statements.

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

BALANCE SHEET

April 30, 2023

	General Fund
<hr/>	
ASSETS	
Cash	\$ 1,279,572
Investments	454,890
Receivables	
Property Taxes	644,371
Intergovernmental	69,515
Prepays	19,577
	<hr/>
TOTAL ASSETS	\$ 2,467,925
	<hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 48,434
Accrued Payroll	23,519
	<hr/>
Total Liabilities	71,953
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	644,371
	<hr/>
Total Deferred Inflows of Resources	644,371
	<hr/>
FUND BALANCE	
Nonspendable for Prepaid Items	19,577
Unrestricted	
Unassigned	1,732,024
	<hr/>
Total Fund Balance	1,751,601
	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 2,467,925
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See accompanying notes to financial statements.

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,751,601
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	1,754,827
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The net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(287,711)
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Deferred outflows of resources related to pensions are not a current financial resource and, therefore, are not reported in the governmental funds Illinois Municipal Retirement Fund	357,993
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Long-term liabilities are not due and payable in current period and, therefore, are not reported in the governmental funds Compensated absences payable	<u>(60,106)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,516,604</u></u>
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See accompanying notes to financial statements.

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND**

For the Year Ended April 30, 2023

	General Fund
REVENUES	
Property Taxes	\$ 1,406,108
Intergovernmental	28,696
Charges for Services	1,299
Fines and Forfeits	2,587
Investment Income	6,416
Miscellaneous	<u>6,756</u>
 Total Revenues	 <u>1,451,862</u>
 EXPENDITURES	
Current	
Library	1,331,855
Capital Outlay	<u>215,054</u>
 Total Expenditures	 <u>1,546,909</u>
 NET CHANGE IN FUND BALANCE	 (95,047)
 FUND BALANCE, MAY 1	 <u>1,846,648</u>
 FUND BALANCE, APRIL 30	 <u><u>\$ 1,751,601</u></u>

See accompanying notes to financial statements.

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

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

For the Year Ended April 30, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (95,047)
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Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	215,055
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The change in the deferred outflows/inflows of resources is not a source or use of a financial resource Illinois Municipal Retirement Fund	
Deferred outflows	341,956
Deferred inflows	546,512

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(130,424)
Change in compensated absences	(20,878)
Change in net pension liability	<u>(863,848)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (6,674)</u></u>
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See accompanying notes to financial statements.

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Library is a library corporation governed by a seven-member Board of Trustees. As required by GAAP, these financial statements present the Library and any existing component units. Currently, the Library does not have any component units and based on criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, the Library has been determined not to be a component unit of the Village of Westchester, Illinois (the Village).

B. Fund Accounting

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified as governmental funds.

The General Fund, a governmental fund, is used to account for all of the Library's general activities.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of activities and the statement of net position) report information on all of the activities of the Library. Governmental activities normally are supported by taxes and intergovernmental revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds.

The Library reports the following major governmental fund:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Library recognizes property taxes when they become both measurable and available in the year intended to finance. A 120-day availability period is used for revenue recognition for the Library's per capita grant and a one-month availability period is used for other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Those revenues susceptible to accrual are property taxes and investment income. Fine revenue is not susceptible to accrual because generally it is not measurable until received in cash.

The Library reports deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Library has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

E. Investments

Investments with a maturity of one year or less when purchased and non-negotiable certificates of deposit are stated at amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value.

F. Capital Assets

Capital assets, which include land, land improvements, buildings and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	80
Machinery and Equipment	5-20

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences

Vested or accumulated vacation and sick leave, including related social security and medicare, that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and sick leave of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to active employees.

H. Fund Balance/Net Position

Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Library Board of Trustees, which is considered the Library's highest level of decision-making authority. Formal actions include ordinances approved by the Library Board of Trustees. Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Library Director through the approved fund balance policy of the Library. Any residual fund balance of the General Fund and any deficits in other funds, if any, is reported as unassigned.

The Library's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Library considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the Library's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

J. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the dated of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

A. Deposits with Financial Institutions

Permitted Deposits and Investments - Illinois Compiled Statutes (ILCS) and the Library's investment policy authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits with Financial Institutions (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral held by the Library's agent with a fair value of 100% of all bank balances in excess of federal depository insurance. At April 30, 2023, all of the Library's bank balances were insured or collateralized.

B. Investments

The Library categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The Library did not have any investments measured at fair value as of April 30, 2023.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in deposit accounts fully insured by FDIC or by obtaining appropriate collateralization. The Illinois Funds are rated AAA.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current fair value. The investment policy limits the maximum maturity length of investments to one year from date of purchase, unless matched to a specific cash flow. Reserve funds may be invested in securities exceeding one year if the maturity of such funds are made to coincide as nearly as practicable with the expected use of the funds.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. The Illinois Funds is not subject to custodial credit risk. The investment policy does not address custodial credit risk. The Library is insured through SIPC, which mitigates the custodial credit risk.

Concentration of credit risk is the risk that the Library has a high percentage of their investments invested in one type of investment. The Library's investment policy requires diversification of investment to avoid unreasonable risk.

3. RECEIVABLES - TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, 2022, 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 payable in two installments, on or about March 1, 2023 and September 1, 2023. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

The second installment of the 2022 tax levy is intended to finance the 2024 fiscal year. The uncollected portion of the 2022 levy has been recorded as a receivable and unavailable/deferred as of April 30, 2023.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 48,000	\$ -	\$ -	\$ 48,000
Construction in Progress	21,708	-	21,708	-
Total Capital Assets Not Being Depreciated	69,708	-	21,708	48,000
Capital Assets Being Depreciated				
Land Improvements	252,338	40,458	-	292,796
Buildings	2,299,502	-	-	2,299,502
Machinery and Equipment	213,860	196,305	-	410,165
Total Capital Assets Being Depreciated	2,765,700	236,763	-	3,002,463
Less Accumulated Depreciation For				
Land Improvements	82,010	13,628	-	95,638
Buildings	948,206	77,828	-	1,026,034
Machinery and Equipment	134,996	38,968	-	173,964
Total Accumulated Depreciation	1,165,212	130,424	-	1,295,636
Total Capital Assets Being Depreciated, Net	1,600,488	106,339	-	1,706,827
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 1,670,196	\$ 106,339	\$ 21,708	\$ 1,754,827

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 130,424</u>

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended April 30, 2023:

	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
Compensated Absences	\$ 39,228	\$ 60,106	\$ 39,228	\$ 60,106	\$ 60,106
Net Pension Liability	-	287,711	-	287,711	-
TOTAL LONG-TERM LIABILITIES	\$ 39,228	\$ 347,817	\$ 39,228	\$ 347,817	\$ 60,106

Compensated absences and net pension obligation (assets) are typically retired by the Library's General Fund.

6. 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; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

7. DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

The Library contributes, through the Village, to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. However, the Library's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both the Village and the Library combined.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standards must be enrolled in IMRF as participating members.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration (Continued)

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. Investments are reported at fair value.

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village and Library are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended 2023 was 7.81% of covered payroll.

Net Pension Liability

At April 30, 2023, the Library reported a liability of \$287,711 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's contributions under the plan for the year ended April 30, 2023 relative to the covered payroll of the Village, actuarially determined. At April 30, 2023, the Library's proportion was 18.29% of the total contribution.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2022
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	2.85% to 13.75%
Interest Rate	7.25%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Fair Value

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.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2023, the Library recognized pension expense of \$19,426. \$11,319 reported as deferred outflows of resources related to pension resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2024. At April 30, 2023, the Library reported other deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 37,950	\$ -
Changes in Assumption	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	308,724	-
Contributions Subsequent to Measurement Date	11,319	-
TOTAL	\$ 357,993	\$ -

The deferred outflows of resources presented in the table above include amounts proportionately allocated to the Library by the Village.

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

<u>Year Ending April 30,</u>	
2024	\$ (14,301)
2025	68,574
2026	104,392
2027	188,009
TOTAL	\$ 346,674

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Library calculated using the discount rate of 7.25% as well as what the Library's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	\$ 729,608	\$ 287,711	\$ (55,743)

8. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

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

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

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Total OPEB Liability

Based on an actuarial valuation performed for the Library as of April 30, 2023, the Library's total OPEB liability as of April 30, 2023 is immaterial and, therefore, not recorded by the Library and no further disclosure is deemed necessary.

REQUIRED SUPPLEMENTARY INFORMATION

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2023

	Appropriations	Original and Final Budget	Actual	Budget Variance Over (Under)
REVENUES				
Property Taxes	\$	1,355,708	\$ 1,406,108	\$ 50,400
Intergovernmental		45,897	28,696	(17,201)
Charges for Services		-	1,299	1,299
Fines and Forfeits		-	2,587	2,587
Investment Income		-	6,416	6,416
Miscellaneous		191,612	6,756	(184,856)
Total Revenues		1,593,217	1,451,862	(141,355)
EXPENDITURES				
Current				
Library		1,411,605	1,331,855	(79,750)
Capital Outlay		181,612	215,054	33,442
Total Expenditures	\$	1,593,217	1,546,909	(46,308)
NET CHANGE IN FUND BALANCE				
	\$	-	(95,047)	\$ (95,047)
FUND BALANCE, MAY 1				
			1,846,648	
FUND BALANCE, APRIL 30				
	\$		1,751,601	

(See independent auditor's report.)

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 59,500	\$ 60,688	\$ 63,651	\$ 55,019	\$ 56,073	\$ 65,736	\$ 58,539	\$ 44,047
Contributions in Relation to the Actuarially Determined Contribution	60,013	60,688	63,651	55,019	56,073	65,736	58,539	44,047
CONTRIBUTION DEFICIENCY (Excess)	\$ (513)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 627,239	\$ 510,284	\$ 575,506	\$ 529,176	\$ 564,805	\$ 572,373	\$ 545,304	\$ 563,785
Contributions as a Percentage of Covered Payroll	9.57%	11.89%	11.06%	10.40%	9.93%	11.48%	10.74%	7.81%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 21 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Eight Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
Employer's Proportion of Net Pension Liability	15.96%	17.76%	20.14%	20.14%	20.14%	18.63%	17.07%	18.29%
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 344,705	\$ 330,245	\$ (13,108)	\$ 607,976	\$ 191,503	\$ (168,742)	\$ (576,137)	\$ 287,711
Employer's Covered Payroll	627,239	627,239	574,938	574,726	575,187	572,373	557,520	569,001
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	54.96%	52.65%	(2.28%)	105.79%	33.29%	(29.48%)	(103.34%)	50.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.23%	89.80%	100.32%	86.25%	95.57%	104.19%	115.26%	93.13%

IMRF's measurement date is December 31; therefore, information above is presented for the calendar year ended December 31.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2023

BUDGETS

The Library Board of Trustees has the authority to approve the budget for the General Fund; the Village Board of Trustees passes the tax levy for the General Fund.

Budgets are adopted on a basis consistent with GAAP. The budget is prepared for the General Fund by function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The proposed budget is presented to the Library Board of Trustees for review. This governing body holds public meetings and may add to; subtract from; or change appropriations. The budget may be amended by the governing body. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplementary appropriations were made. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund presents the management budget of the Library.

SUPPLEMENTARY INFORMATION

WESTCHESTER PUBLIC LIBRARY
WESTCHESTER, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2023

	Appropriations	Original and Final Budget	Actual	Budget Variance Over (Under)
Salaries and Wages	\$	987,034	\$ 987,523	\$ 489
Maintenance and Utilities		130,311	70,554	(59,757)
Supplies, Postage and Printing		5,000	3,974	(1,026)
Equipment and Maintenance		25,750	82,864	57,114
Advertising and Promotion		4,200	1,982	(2,218)
Professional Services		37,000	28,085	(8,915)
Buildings and Grounds Improvements		181,612	215,054	33,442
Miscellaneous Expense		85,690	32,618	(53,072)
Software		5,000	4,692	(308)
Books and Digital Electronics		131,620	119,563	(12,057)
TOTAL EXPENDITURES	\$	1,593,217	\$ 1,546,909	\$ (46,308)

(See independent auditor's report.)