

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	<u>1</u>
-------------------------------------	--------------------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>4</u>
---	--------------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	<u>12</u>
Statement of Activities - Modified Cash Basis	<u>13</u>
Balance Sheet - Governmental Funds - Modified Cash Basis	<u>14</u>
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position - Governmental Activities - Modified Cash Basis	<u>15</u>
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds - Modified Cash Basis	<u>16</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances	
to the Statement of Activities - Governmental Activities - Modified Cash Basis	<u>17</u>
Notes to Financial Statements	<u>18</u>

OTHER SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	<u>36</u>
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	<u>37</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual - Modified Cash Basis	
General Fund	<u>39</u>
Schedule of Expenditures - Budget and Actual - Modified Cash Basis	
General Fund	<u>40</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual - Modified Cash Basis	
Combining Balance Sheet - Modified Cash Basis	<u>42</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
- Modified Cash Basis	<u>43</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance	
- Budget and Actual - Modified Cash Basis	
Retirement - Special Revenue Fund	<u>44</u>
Audit - Special Revenue Fund	<u>45</u>
Liability Insurance - Special Revenue Fund	<u>46</u>

SUPPLEMENTAL SCHEDULES

Schedule of Assessed Valuations, Tax Rates, Extension and Collections	<u>49</u>
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INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

October 3, 2023

Member of the Board of Trustees
Wilmette Public Library District
Wilmette, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilmette 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 District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilmette Public Library District, Illinois, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wilmette Public Library District, Illinois' basic financial statements. The management's discussion and analysis, other supplementary information and supplemental schedule are 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, management's discussion and analysis, other supplementary information and supplemental schedule are 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

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

Our discussion and analysis of Wilmette Public Library District's (District) 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 District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District's net position decreased \$906,476 or 3.94 percent, from a \$23,010,672 beginning balance to \$22,104,196.
- During the year, government-wide revenues totaled \$6,315,829, while government-wide expenses totaled \$7,222,305, resulting in a decrease to net position of \$906,476.
- Total fund balances for the governmental funds were \$12,828,952 at June 30, 2023 compared to a prior year balance of \$13,352,911, a decrease of \$523,959 or 3.92 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 District as a whole and present a longer-term view of the District'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 District's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter 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 District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base, is needed to assess the overall health of the District.

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 District that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the District include the cultural function.

Management's Discussion and Analysis

June 30, 2023

USING THIS ANNUAL REPORT - Continued

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 District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only maintains governmental 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 District'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 District maintains five 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 and Special Reserve Funds, which are considered major funds. Data from the other three governmental funds are presented as a nonmajor fund.

The Library adopts an annual appropriated budget for all of the governmental funds, except for the Special Reserve Fund. 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.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a District's financial position. The following tables show that in the case of the District, assets exceeded liabilities by \$22,104,196.

	Statement of Net Position	
	2023	2022
Assets		
Current Assets	\$ 12,829,424	13,352,911
Capital Assets	9,275,244	9,657,761
Total Assets	22,104,668	23,010,672
Other Liabilities	472	—
Net Position		
Investment in Capital Assets	9,275,244	9,657,761
Restricted	6,499,041	6,398,646
Unrestricted	6,329,911	6,954,265
Total Net Position	22,104,196	23,010,672

A portion of the District's net position \$9,275,244 or 41.96 percent reflects its investment in capital assets (for example, land, buildings, equipment and furniture), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of \$6,499,041 or 29.40 percent of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$6,329,911 or 28.64 percent represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 187,577	188,944
Operating Grants/Contributions	66,096	73,364
General Revenues		
Property Taxes	5,541,510	5,550,344
Replacement Taxes	173,058	153,118
Interest	321,951	73,813
Miscellaneous	25,637	124,814
Total Revenues	6,315,829	6,164,397
Expenses		
Culture and Recreation	7,222,305	6,799,922
Change in Net Position	(906,476)	(635,525)
Net Position-Beginning	23,010,672	23,646,197
Net Position-Ending	22,104,196	23,010,672

Net position of the District's governmental activities decreased from a balance \$23,010,672 to \$22,104,196.

Expenses of \$7,222,305 exceeded revenues of \$6,315,829, resulting in the decrease to net position in the current year of \$906,476.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

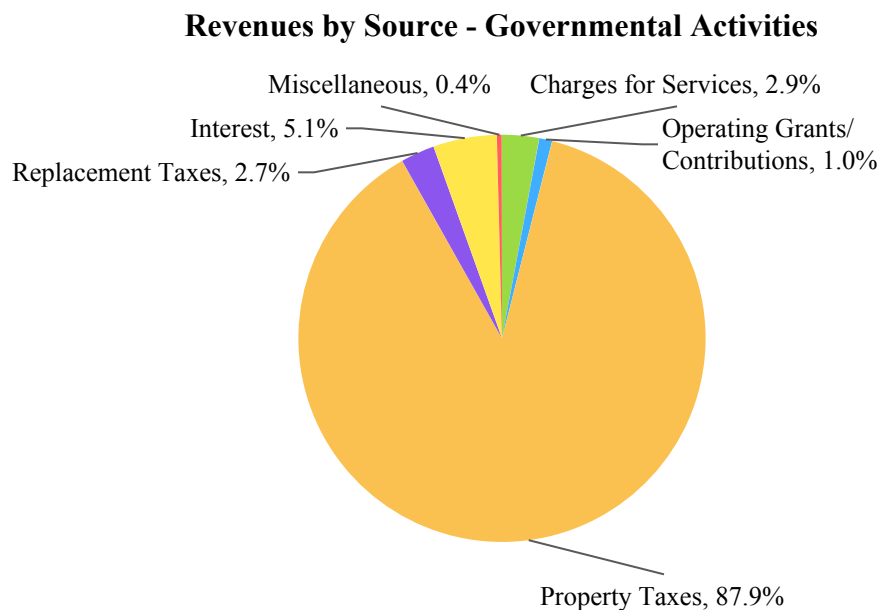
June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

In the current year, governmental net position decreased \$906,476, a decrease of 3.94 percent. This decrease was due to an increase in expenses compared to the prior fiscal year.

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



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds

The focus of the District'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 \$12,828,952 which is a decrease of 3.92 percent from last year's ending fund balance of \$13,352,911.

In the current year, governmental fund balances decreased by \$523,959. The General Fund reported a decrease to fund balance due to an increase in total expenditures compared to prior year. The Special Reserve Fund reported an increase to fund balance due to a large increase in interest.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

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 lower than budgeted revenues. Actual revenues for the current year were \$5,601,645, compared to budgeted revenues of \$5,437,232. This resulted primarily from property taxes being \$44,619 lower than the budgeted amount of \$5,030,779.

The General Fund actual expenditures were higher than budgeted expenditures. Actual expenditures totaled \$6,217,129, while budgeted expenditures totaled \$6,170,588. This was due primarily to an increase in personnel services and operations.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2023 was \$9,275,244 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and improvements, furniture and fixtures, and library materials.

	Capital Assets - net of Depreciation	
	2023	2022
Land	\$ 51,384	51,384
Building and Improvements	7,762,507	8,235,805
Furniture and Equipment	292,773	274,058
Library Materials	1,168,580	1,096,514
Total Net Capital Assets	9,275,244	9,657,761

This year's additions to capital assets included:

Furniture and Equipment	\$ 47,550
Library Materials	406,780
Total	454,330

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

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's elected officials and staff considered many factors when setting the fiscal-year 2024 budget. Those factors include tax rates, patron services, resources, and capital improvement projects. The District is faced with similar economic challenges as other local municipalities, including inflation and unemployment rates. The District is committed to providing high quality library services to its constituents, while remaining a fiscally responsible unit of government.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in 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 at Wilmette Public Library District, 1242 Wilmette Avenue, Wilmette, Illinois 60091-2558.

BASIC FINANCIAL STATEMENTS

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Net Position - Modified Cash Basis

June 30, 2023

ASSETS	
Current Assets	
Cash and Investments	<u>\$ 12,829,424</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	51,384
Depreciable	18,440,595
Accumulated Depreciation	<u>(9,216,735)</u>
Total Noncurrent Assets	<u>9,275,244</u>
Total Assets	<u>22,104,668</u>
LIABILITIES	
Current Liabilities	
Accrued Payroll	<u>472</u>
NET POSITION	
Investment in Capital Assets	9,275,244
Restricted	
Audit	8,289
Liability Insurance	719
Retirement	444,868
Specific Programs	155,214
Capital Improvements	5,889,951
Unrestricted	<u>6,329,911</u>
Total Net Position	<u>22,104,196</u>

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

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2023**

	Program Revenues		Net
	Charges for Services	Operating Grants/ Contributions	(Expenses) Revenues and Changes in Net Position
Expenses			
Functions/Programs			
Culture and Recreation	\$ 7,222,305	187,577	66,096
			(6,968,632)
	General Revenues		
	Taxes		5,541,510
	Intergovernmental		
	Replacement Taxes		173,058
	Investment Income		321,951
	Miscellaneous		25,637
			6,062,156
	Change in Net Position		(906,476)
	Net Position - Beginning		23,010,672
	Net Position - Ending		22,104,196

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

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**Balance Sheet - Governmental Funds - Modified Cash Basis****June 30, 2023**

	General	Capital Projects Special Reserve	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 6,485,597	5,889,951	453,876	12,829,424
LIABILITIES				
Accrued Payroll	472	—	—	472
FUND BALANCES				
Restricted	155,214	5,889,951	453,876	6,499,041
Unassigned	6,329,911	—	—	6,329,911
Total Fund Balances	6,485,125	5,889,951	453,876	12,828,952
Total Liabilities and Fund Balances	6,485,597	5,889,951	453,876	12,829,424

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

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis

June 30, 2023

Total Fund Balances	\$ 12,828,952
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.	<u>9,275,244</u>
Net Position	<u><u>22,104,196</u></u>

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

WILMETTE PUBLIC LIBRARY, ILLINOIS

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

	General	Capital Projects Special Reserve	Nonmajor	Totals
Revenues				
Property Taxes	\$ 4,986,160	—	555,350	5,541,510
Intergovernmental				
Replacement Taxes	173,058	—	—	173,058
Grant	49,761	—	—	49,761
Kenilworth Library Services Contract	177,050	—	—	177,050
Interest	163,117	146,989	11,845	321,951
Fines and Fees	10,527	—	—	10,527
Friends Donations	16,335	—	—	16,335
Miscellaneous	25,637	—	—	25,637
Total Revenues	5,601,645	146,989	567,195	6,315,829
Expenditures				
Culture and Recreation	6,217,129	—	562,246	6,779,375
Capital Outlay	—	60,413	—	60,413
Total Expenditures	6,217,129	60,413	562,246	6,839,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	(615,484)	86,576	4,949	(523,959)
Other Financing Sources (Uses)				
Transfers In	—	—	10,000	10,000
Transfers Out	(10,000)	—	—	(10,000)
	(10,000)	—	10,000	—
Net Change in Fund Balance	(625,484)	86,576	14,949	(523,959)
Fund Balances - Beginning	7,110,609	5,803,375	438,927	13,352,911
Fund Balances - Ending	6,485,125	5,889,951	453,876	12,828,952

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

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2023**

Net Change in Fund Balances	\$ (523,959)
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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	454,330
Depreciation Expense	(836,847)
Disposal of Capital Assets - Cost	(201,515)
Disposal of Capital Assets - Depreciation	<u>201,515</u>

Changes in Net Position	<u>(906,476)</u>
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WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wilmette Public Library District (the "District"), Illinois have been prepared in conformity with accounting principals generally accepted in the United States of America, as applied to government units (hereinafter referred to generally accepted accounting principals (GAAP) except for the basis of accounting. The Governmental Accounting Standards Board (GASB) is accepted standard-setting body for establishing governmental accounting and reporting principles.

The basic financial statements of the District have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. Criteria for including a component unit in the District's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the District. Based on those criteria, there are no potential component units to be included in the reporting entity. The District is not a component unit of another governmental entity.

BASIS OF PRESENTATION

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is 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 District's net position is reported in two parts: investment in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (culture and recreation). These functions are supported by program revenues (fines and fees) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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. The District does not allocate indirect costs. This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in a single governmental fund in the fund financial statements. This 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. The District's fund is organized into governmental category. The emphasis in fund financial statements is on the major fund.

WILMETTE 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

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 District reports the following major governmental funds:

General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those for in another fund.

Capital Projects Funds. The Special Reserve Fund is used to account for resources restricted for capital improvements a the District.

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, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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.

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.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

WILMETTE 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 - Continued

In the fund financial statements, governmental funds are presented on the modified cash basis of accounting. The modified cash basis of accounting omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

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

Cash and Investments

For the purpose of the Statement of Net Position, the cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District 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. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, or more 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 District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are 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:

Building and Improvements	10 - 40 Years
Furniture and Equipment	5 - 40 Years
Library Materials	7 Years

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

Net Position

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

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 legislation.

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

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund position is available.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Board of Trustees prepares a Combined Annual Budget and Appropriation Ordinance for all funds, except for the Special Reserve Fund.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- The budget may be amended by the Board of Trustees. No supplemental appropriations were adopted by the Board of Trustees in the current fiscal year.
- Budgets are adopted on the cash basis.
- The level of control (level at which expenditures/expenses may not exceed appropriations) is the fund level. All appropriations lapse at year end.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
General	\$ 46,541
Special Reserve	60,413
Retirement	489,811
Audit	8,800
Liability Insurance	63,635

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

It is the policy of the District 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 District 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 Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

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

Deposits. At year-end, the carrying amount of the District's deposits totaled \$11,693,330 and the bank balances totaled \$11,772,270. The District also has \$145,312 invested in the Illinois Funds and \$990,782 in U.S. Treasury Securities at year end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy states they will attempt to match its investments with anticipated cash flows requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the District Board. The District's investments in the Illinois Funds has an average maturity of less than one year.

Custodial Credit Risk. Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the District's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the District.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

Custodial Credit Risk - Continued. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2023, the District's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have an investment policy that addresses concentration of credit risk. At year-end, the District 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).

Credit Risk. Concentration of credit risk is the risk that the District has too high a percentage of their investments invested in one type of investment. The District investment policy does not require diversification of investment to avoid.

PROPERTY TAXES

Property taxes for 2022 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 County Collector and are payable in two installments, on or about March 1, and September 1. 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.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**Notes to the Financial Statements****June 30, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS**

The following is a summary of capital asset activity for the fiscal year ended June 30, 2023:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 51,384	—	—	51,384
Depreciable Capital Assets				
Building and Improvements	15,354,839	—	—	15,354,839
Furniture and Equipment	695,207	47,550	—	742,757
Library Materials	2,137,734	406,780	201,515	2,342,999
	18,187,780	454,330	201,515	18,440,595
Less Accumulated Depreciation				
Building and Improvements	7,119,034	473,298	—	7,592,332
Furniture and Equipment	421,149	28,835	—	449,984
Library Materials	1,041,220	334,714	201,515	1,174,419
	8,581,403	836,847	201,515	9,216,735
Total Net Depreciable Capital Assets	9,606,377	(382,517)	—	9,223,860
Total Net Capital Assets	9,657,761	(382,517)	—	9,275,244

Depreciation expense of \$836,847 was charged to the culture and recreation function.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	\$ 10,000

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS - Continued

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

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the District 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 District 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.

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

	General	Special Reserve	Nonmajor	Totals
Fund Balances				
Restricted				
Audit	\$ —	—	8,289	8,289
Liability Insurance	—	—	719	719
Retirement	—	—	444,868	444,868
Specific Programs	155,214	—	—	155,214
Capital Improvements	—	5,889,951	—	5,889,951
	155,214	5,889,951	453,876	6,499,041
Unassigned	6,329,911	—	—	6,329,911
Total Fund Balances	6,485,125	5,889,951	453,876	12,828,952

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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.

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers' compensation, illnesses of employees and public officials' liability. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the fiscal year or prior two years.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

The District does not have any pending or threatened litigation, claims or assessments as of the opinion date.

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 District expects such amounts, if any, to be immaterial.

JOINTLY GOVERNED ORGANIZATION

The District participates in Cooperative Computer Services (CCS). CCS is an intergovernmental entity formed by library members of the North Suburban Library System and exists to administer a jointly owned integrated library automation system. CCS's governing board is comprised of one member from each participating library. No participant has any obligation, entitlement or residual interest in CCS. In order to terminate membership in CCS, member libraries must provide one-year notice of termination. The District's expenditures to CCS for the year ended June 30, 2023 were \$71,496.

KENILWORTH CONTRACT

The Kenilworth Public Library District entered into a contract with the District and the Winnetka-Northfield Public Library District to pay for services provided to Kenilworth District residents. The amounts to be paid are based on an agreed-upon amount, adjusted for inflation, divided between the two libraries based on their proportion of circulation.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. 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.

Plan Descriptions

Plan Administration. All 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.

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.

WILMETTE 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 Fund (IMRF) - Continued

Plan Descriptions - Continued

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	59
Inactive Plan Members Entitled to but not yet Receiving Benefits	21
Active Plan Members	<u>53</u>
Total	<u>133</u>

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 Library's contribution was 7.60% 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%

WILMETTE 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 Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. 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.

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.

Asset Class	Target	Long-Term Expected Real Rate of Return
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%, the 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.

WILMETTE 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 Fund (IMRF) - 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 pension liability/(asset) of the Library calculated using the discount rate as well as what the Library's net pension liability/(asset) 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/(Asset)	\$ 3,304,175	1,796,055	540,153

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2021	\$ 15,108,639	16,947,338	(1,838,699)
Changes for the Year:			
Service Cost	237,106	—	237,106
Interest	1,061,408	—	1,061,408
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	541,646	—	541,646
Changes of Assumptions	—	—	—
Contributions - Employer	—	242,394	(242,394)
Contributions - Employees	—	125,874	(125,874)
Net Investment Income	—	(2,362,694)	2,362,694
Benefit Payments, Including Refunds of Employee Contributions	(1,174,168)	(1,174,168)	—
Other (Net Transfer)	—	199,832	(199,832)
Net Changes	665,992	(2,968,762)	3,634,754
Balances at December 31, 2022	15,774,631	13,978,576	1,796,055

WILMETTE 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 Fund (IMRF) - 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 \$226,355. 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
Difference Between Expected and Actual Experience	\$ 594,972	—	594,972
Change in Assumptions	—	(33,439)	(33,439)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,241,655	—	1,241,655
Total Expense to be Recognized in Future Periods	1,836,627	(33,439)	1,803,188
Pension Contributions Made Subsequent to the Measurement Date	90,054	—	90,054
Total Deferred Amounts Related to IMRF	1,926,681	(33,439)	1,893,242

\$90,054 reported as deferred outflows of resources related to pension resulting from employer contributions subsequent to the measurement date and would be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024, on an accrual basis of accounting. 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 (Inflows) of Resources
2024	\$ 195,540
2025	379,240
2026	514,526
2027	713,882
2028	—
Thereafter	—
Total	1,803,188

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER 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. However, there is minimal participation. As the Library provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Therefore, the Library has not recorded a liability as of June 30, 2023.

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 schedules include:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Retirement - Special Revenue Fund
Audit - Special Revenue Fund
Liability - Special Revenue 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

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

Retirement Fund

The 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.

Audit Fund

The Audit Fund is used to account for the expenses related to the District's annual audit. Financing is provided by a specific annual tax levy.

Liability Insurance Fund

The Liability Insurance Fund is used to account for the operations of the Library's insurance and risk management activities. Financing is provided by a specific annual levy.

CAPITAL PROJECTS FUND

Special Reserve Fund

The Special Reserve Fund is used to account for financial resources used for the acquisition or construction of major capital assets.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS
Illinois Municipal Retirement Fund
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
2016	\$ 244,487	\$ 244,487	\$ —	\$ 1,980,561	12.34%
2017	248,140	248,140	—	2,064,161	12.02%
2018	242,530	242,530	—	2,044,912	11.86%
2019	242,018	242,018	—	2,146,702	11.27%
2020	249,946	249,946	—	2,431,018	10.28%
2021	250,131	250,131	—	2,449,107	10.21%
2022	229,955	229,955	—	2,554,133	9.00%
2023	226,355	226,355	—	2,977,792	7.60%

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.

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**Illinois Municipal Retirement Fund****Schedule of Changes in the Employer's Net Pension Liability****June 30, 2023**

	12/31/2014	12/31/2015
Total Pension Liability		
Service Cost	\$ 221,975	223,722
Interest	789,283	864,059
Changes in Benefit Terms	—	—
Difference Between Expected and Actual Experience	10,152	(198,907)
Change of Assumptions	653,312	12,088
Benefit Payments, Including Refunds of Member Contributions	(645,909)	(649,641)
Net Change in Total Pension Liability	1,028,813	251,321
Total Pension Liability - Beginning	10,735,741	11,764,554
Total Pension Liability - Ending	11,764,554	12,015,875
Plan Fiduciary Net Position		
Contributions - Employer	\$ 245,788	238,069
Contributions - Members	100,484	90,708
Net Investment Income	630,484	53,037
Benefit Payments, Including Refunds of Member Contributions	(645,909)	(649,641)
Other (Net Transfer)	(48,545)	94,607
Net Change in Plan Fiduciary Net Position	282,302	(173,220)
Plan Net Position - Beginning	10,485,629	10,767,931
Plan Net Position - Ending	10,767,931	10,594,711
Employer's Net Pension Liability	\$ 996,623	1,421,164
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.53%	88.17%
Covered Payroll	\$ 1,958,000	1,997,222
Employer's Net Pension Liability as a Percentage of Covered Payroll	50.90%	71.16%

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
224,722	230,400	217,813	254,628	262,000	235,777	237,106
881,555	920,306	928,618	978,392	987,045	1,040,179	1,061,408
—	—	—	—	—	—	—
96,893	194,285	429,170	(239,477)	727,200	159,794	541,646
(37,758)	(458,226)	320,570	—	(199,117)	—	—
(653,929)	(743,635)	(795,646)	(806,530)	(949,227)	(1,113,038)	(1,174,168)
511,483	143,130	1,100,525	187,013	827,901	322,712	665,992
12,015,875	12,527,358	12,670,488	13,771,013	13,958,026	14,785,927	15,108,639
12,527,358	12,670,488	13,771,013	13,958,026	14,785,927	15,108,639	15,774,631
254,528	234,556	263,835	222,883	289,384	225,498	242,394
109,923	92,996	104,237	113,037	119,077	110,002	125,874
730,139	2,002,380	(746,583)	2,270,491	1,918,887	2,647,073	(2,362,694)
(653,929)	(743,635)	(795,646)	(806,530)	(949,227)	(1,113,038)	(1,174,168)
112,377	(122,208)	299,478	100,711	89,440	(27,509)	199,832
553,038	1,464,089	(874,679)	1,900,592	1,467,561	1,842,026	(2,968,762)
10,594,711	11,147,749	12,611,838	11,737,159	13,637,751	15,105,312	16,947,338
11,147,749	12,611,838	11,737,159	13,637,751	15,105,312	16,947,338	13,978,576
1,379,609	58,650	2,033,854	320,275	(319,385)	(1,838,699)	1,796,055
88.99%	99.54%	85.23%	97.71%	102.16%	112.17%	88.61%
2,076,076	2,066,571	2,316,376	2,501,501	2,637,959	2,436,608	2,789,347
66.45%	2.84%	87.80%	12.80%	(12.11%)	(75.46%)	64.39%

WILMETTE PUBLIC LIBRARY, ILLINOIS**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2023****(with Comparative Information for the Fiscal Year Ended June 30, 2022)**

	2023		2022
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 5,030,779	4,986,160	4,994,108
Intergovernmental			
Replacement Taxes	90,000	173,058	153,118
Grant	39,953	49,761	52,354
Kenilworth Library Services Contract	180,000	177,050	179,302
Interest	40,000	163,117	39,277
Fines and Fees	8,500	10,527	9,642
Friends Donations	26,500	16,335	21,010
Miscellaneous	21,500	25,637	124,814
Total Revenue	5,437,232	5,601,645	5,573,625
Expenditures			
Culture and Recreation			
Personnel Services	4,249,988	4,269,638	3,772,767
Patron Materials/Services	1,207,500	1,226,983	1,264,466
Operation	713,100	720,508	641,123
Total Expenditures	6,170,588	6,217,129	5,678,356
Excess (Deficiency) of Revenues Over (Under) Expenditures	(733,356)	(615,484)	(104,731)
Other Financing (Uses)			
Transfers Out	—	(10,000)	(1,800,000)
Net Change in Fund Balance	(733,356)	(625,484)	(1,904,731)
Fund Balance - Beginning		7,110,609	9,015,340
Fund Balance - Ending		6,485,125	7,110,609

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**General Fund****Scheduling of Expenditures - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2023****(with Comparative Information for the Fiscal Year Ended June 30, 2022)**

	2023		2022
	Original and Final Budget	Actual	Actual
Culture and Recreation			
Personnel Services			
Salaries			
Librarian	\$ 1,565,897	1,585,983	1,342,024
Non-Librarian	1,722,333	1,709,146	1,470,203
Custodial	214,758	191,505	252,593
Professional Memberships	7,000	7,098	5,038
Registrations	10,000	10,036	7,765
Travel - Mileage	12,000	11,876	5,356
Staff Development	18,000	19,945	13,779
Insurance	700,000	734,049	676,009
Total Personnel Services	4,249,988	4,269,638	3,772,767
Patron Materials/Services			
Books and Continuations	305,000	308,117	316,703
Audio Visual Materials	90,000	88,203	103,299
Periodicals	40,000	44,801	41,644
Electronic Resources	500,000	499,362	545,292
Computer Software	10,000	16,878	7,602
Electronic Service Providers	120,000	152,337	131,864
Programming	60,000	56,428	40,946
Friends Purchases	26,500	21,332	34,248
Web Design	—	1,200	3,191
Newsletter	40,000	25,460	26,348
Promotion	10,000	5,955	8,049
Rutherford Trust Expenditures	6,000	6,910	5,280
Total Patron Materials/Services	1,207,500	1,226,983	1,264,466
Operation			
Accounting	12,000	13,835	11,172
Professional Fees	25,000	11,336	218
Legal Fees	—	2,929	4,973
Bank and Other Fees	—	13,821	16,508
Library Supplies	25,000	25,009	25,700

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**General Fund****Scheduling of Expenditures - Budget and Actual - Modified Cash Basis - Continued****For the Fiscal Year Ended June 30, 2023****(with Comparative Information for the Fiscal Year Ended June 30, 2022)**

	2023		2022
	Original and Final Budget	Actual	Actual
Culture and Recreation - Continued			
Operation - Continued			
Office Supplies	\$ 25,000	20,251	31,006
Copiers	28,000	28,380	27,244
Printing	1,000	445	646
Postage and Shipping	8,000	7,023	6,302
Telephone	15,000	10,565	9,554
Equipment/Furniture/Computers	165,000	108,199	98,899
Equipment/Computer/Maintenance	85,000	145,752	115,404
Insurance - Property/Casualty	—	—	27,500
Building Improvement	35,000	34,815	19,636
Building Supplies	40,000	38,451	28,379
Building Maintenance	75,000	81,229	49,593
Building Maintenance Contracts	100,000	107,364	104,104
Grounds Maintenance	30,000	32,853	27,597
Parking Lot Rental	13,000	11,400	11,798
Utilities	25,000	23,143	23,819
Vehicle Maintenance	4,000	3,445	1,015
Miscellaneous	2,100	263	56
Total Operation	713,100	720,508	641,123
Total Expenditures	6,170,588	6,217,129	5,678,356

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet - Modified Cash Basis****June 30, 2023**

	Retirement	Audit	Liability Insurance	Total
ASSETS				
Cash and Investments	\$ 444,868	8,289	719	453,876
LIABILITIES				
None	—	—	—	—
FUND BALANCES				
Restricted				
Audit	—	8,289	—	8,289
Liability	—	—	719	719
Retirement	444,868	—	—	444,868
Total Fund Balances	444,868	8,289	719	453,876
Total Liabilities and Fund Balances	444,868	8,289	719	453,876

WILMETTE PUBLIC LIBRARY, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2023**

	Retirement	Audit	Liability Insurance	Total
Revenues				
Property Taxes	\$ 510,432	10,209	34,709	555,350
Interest	11,845	—	—	11,845
Total Revenues	522,277	10,209	34,709	567,195
Expenditures				
Culture and Recreation				
Fringe Benefits				
IMRF	489,811	—	—	489,811
Liability Insurance	—	—	43,074	43,074
Unemployment Insurance	—	—	20,561	20,561
Audit	—	8,800	—	8,800
Total Expenditures	489,811	8,800	63,635	562,246
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,466	1,409	(28,926)	4,949
Other Financing Sources				
Transfers In	—	—	10,000	10,000
Net Change in Fund Balances	32,466	1,409	(18,926)	14,949
Fund Balances - Beginning	412,402	6,880	19,645	438,927
Fund Balances - Ending	444,868	8,289	719	453,876

WILMETTE PUBLIC LIBRARY, ILLINOIS**Retirement - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2023****(with Comparative Information for the Fiscal Year Ended June 30, 2022)**

	2023		2022
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 515,000	510,432	511,246
Interest	—	11,845	1,241
Total Revenue	515,000	522,277	512,487
Expenditures			
Culture and Recreation			
Personnel Services			
IMRF	—	233,415	229,954
FICA	—	256,396	224,111
Total Expenditures	—	489,811	454,065
Net Change in Fund Balance	515,000	32,466	58,422
Fund Balance - Beginning		412,402	353,980
Fund Balance - Ending		444,868	412,402

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

Audit - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2023

(with Comparative Information for the Fiscal Year Ended June 30, 2022)

	2023		2022
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 10,300	10,209	10,225
Expenditures			
Culture and Recreation			
Miscellaneous			
Audit	—	8,800	8,500
Net Change in Fund Balance	<u>10,300</u>	1,409	1,725
Fund Balance - Beginning		<u>6,880</u>	<u>5,155</u>
Fund Balance - Ending		<u>8,289</u>	<u>6,880</u>

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**Liability Insurance - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2023****(with Comparative Information for the Fiscal Year Ended June 30, 2022)**

	2023		2022
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 35,020	34,709	34,765
Expenditures			
Culture and Recreation			
Personnel Services			
Liability Insurance	—	43,074	16,314
Unemployment Insurance	—	20,561	18,355
Total Expenditures	—	63,635	34,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,020	(28,926)	96
Other Financing Sources			
Transfers In	—	10,000	—
Net Change in Fund Balance	<u>35,020</u>	(18,926)	96
Fund Balance - Beginning		<u>19,645</u>	<u>19,549</u>
Fund Balance - Ending		<u>719</u>	<u>19,645</u>

SUPPLEMENTAL SCHEDULE

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Property Tax Assessed Valuations, Rates, Extensions and Collections - Last Ten Tax Levy Years
June 30, 2023**

See Following Page

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS**Property Tax Assessed Valuations, Rates, Extensions and Collections - Last Ten Tax Levy Years
June 30, 2023**

Tax Levy Year	2013	2014	2015	2016
Assessed Valuations	\$ 1,559,393,904	1,583,111,678	1,540,264,790	1,922,332,036
Tax Rates:				
General	0.3474	0.3487	0.3612	0.2920
IMRF	0.0169	0.0172	0.0128	0.0129
FICA	0.0122	0.0115	0.0166	0.0086
Liability Insurance	0.0037	0.0029	0.0030	0.0019
Audit	0.0006	0.0005	0.0006	0.0005
Total Tax Rates	0.3808	0.3808	0.3942	0.3159
Tax Extensions:				
General	5,417,334	5,519,541	5,563,200	5,613,979
IMRF	263,537	271,920	197,760	247,200
FICA	190,246	181,280	255,440	164,800
Liability Insurance	57,697	46,350	46,350	36,050
Audit	9,356	8,549	8,549	9,270
Total Tax Extensions	5,938,170	6,027,640	6,071,299	6,071,299
Tax Collections	\$ 5,771,752	5,948,702	6,091,734	5,932,416
Percentage Collected	97.20%	98.69%	100.34%	97.71%

Property tax rates are per \$100 of assessed valuation.

*As of the date of the report, the 2022 tax levy extension is not available.

2017	2018	2019	2020	2021	2022
1,961,313,130	1,900,968,654	2,062,021,187	2,066,495,782	1,912,953,962	*
0.2791	0.2707	0.2440	0.2434	0.2662	*
0.0126	0.0130	0.0137	0.0137	0.0148	*
0.0079	0.0081	0.0112	0.0112	0.0121	*
0.0018	0.0018	0.0017	0.0017	0.0018	*
0.0050	0.0005	0.0005	0.0005	0.0005	*
0.3064	0.2941	0.2711	0.2705	0.2954	*
5,473,629	5,145,212	5,030,779	5,030,779	5,091,115	*
247,200	247,200	283,250	283,250	283,250	*
154,500	154,500	231,750	231,750	231,750	*
35,149	35,149	35,020	35,020	35,020	*
9,038	9,038	10,300	10,300	10,300	*
5,919,516	5,591,099	5,591,099	5,591,099	5,651,435	*
5,816,322	5,538,543	5,501,780	5,550,344	5,541,470	*
98.26%	99.06%	98.40%	99.27%	98.05%	*

WILMETTE PUBLIC LIBRARY DISTRICT, ILLINOIS

MANAGEMENT LETTER



FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

1242 Wilmette Avenue
Wilmette, IL 60091
Phone: 847.256.5025
www.wilmettelibrary.info



October 3, 2023

Member of the Board of Trustees
Wilmette Public Library District
Wilmette, Illinois

In planning and performing our audit of the financial statements of the Wilmette Public Library District (the District), Illinois, for the year ended June 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Finance Manager and senior management of the Wilmette Public Library District, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. GASB STATEMENT NO. 100 ACCOUNTING CHANGES AND ERROR CORRECTIONS

Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, *Accounting Changes and Error Corrections*, which establishes accounting and financial reporting requirements for (a) accounting changes, and (b) the correction of an error in previously issued financial statements (error correction). Accounting changes are (a) changes in accounting principle, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity. Error corrections are (a) errors from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued, or (b) a change from (i) applying an accounting principle that is not generally accepted to transactions or other events that previously were significant to (ii) applying a generally accepted accounting principle to those transactions or other events is an error correction. GASB Statement No. 100 requires that (a) changes in accounting principal and error corrections are reported retroactively, (b) changes in accounting estimates are reported prospectively, and (c) changes to or within the financial reporting entity should be reported by adjusting the current reporting period's beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period. GASB Statement No. 100, *Accounting Changes and Error Corrections* is applicable to the District's financial statements for the year ended June 30, 2024.

Recommendation

Lauterbach & Amen, LLP will work directly with the District to review any accounting changes or error corrections to determine the appropriate financial reporting for these activities under GASB Statement No. 100.

Management Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

2. GASB STATEMENT NO. 101 COMPENSATED ABSENCES

Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*, which establishes standards of accounting and financial reporting for (a) compensated absences, and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other post-employment benefits (OPEB). The statement requires that a liability should be recognized for any type of leave that has not been used at year-end if (a) The leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Examples of leave that should be reviewed, and potentially measured under GASB Statement No. 101 are vacation leave, paid time off leave, holiday leave, and sick leave. Examples of leave that are excluded from GASB Statement No. 101 are parental leave, military leave, and jury duty leave. GASB Statement No. 101, *Compensated Absences* is applicable to the District's financial statements for the year ended June 30, 2025.

CURRENT RECOMMENDATIONS - Continued

2. GASB STATEMENT NO. 101 COMPENSATED ABSENCES - Continued

Recommendation

Lauterbach & Amen, LLP will work directly with the District to review the new compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other post-employment benefits criteria to determine the appropriate financial reporting for these activities under GASB Statement No. 101.

Management Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

PRIOR RECOMMENDATION

1. **GASB STATEMENT NO. 96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

Comment

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) by governments. It establishes uniform accounting and financial reporting requirements for SBITAs, improves the comparability of financial statements among governments that have entered into SBITAs, and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is applicable to the District's financial statements for the year ended June 30, 2023.

Recommendation

Lauterbach & Amen, LLP will work directly with the District to review the new SBITA criteria in conjunction with the District's current arrangements to determine the appropriate financial reporting for these activities under GASB Statement No. 96.

Status

As the District has no material subscriptions, there was no impact on the financial statements in the current year, therefore this comment is considered implemented. The District and Lauterbach & Amen will continue to monitor subscriptions in the future to determine if additional reporting is required. This comment is implemented and will not be repeated.