

# **Deerfield Public Library**

Financial Statements and  
Supplementary Information

December 31, 2023

# Deerfield Public Library

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## **INDEPENDENT AUDITORS' REPORT**

## **Independent Auditors' Report**

To the Members of the Public Library Board of  
Deerfield Public Library

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Deerfield Public Library (the Library), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Library as of December 31, 2023 and the respective changes in financial position thereof 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 those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' 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 auditors' 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.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

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.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **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 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly US, LLP*

Oak Brook, Illinois  
June 20, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DEERFIELD PUBLIC LIBRARY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2023**

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As the management of the Deerfield Public Library, we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal period ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Library's financial statements.

This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Library's financial activity, (3) identify changes in the Library's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

**USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT**

Historically, the primary focus of local government financial statements has been summarized by fund type information on a current financial resource basis. This approach was modified by Government Accounting Standards Board (GASB) Statement No. 34. Now, the Library's financial report presents two kinds of statements, each with a different snapshot of the Library's finances. The focus of the government-wide financial statements is on the Library as a whole on an accrual basis. The statements that show the Library as a major fund provide information on the financial resources available and used in the current and previous 12-month fiscal periods. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Library's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The focus of the *Statement of Net Position* is to present information on all of the Library's assets, deferred outflows, liabilities and deferred inflows, with the difference between them reported as net position. The *Statement of Net Position* combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and the economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

(See independent auditors' report)

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT (continued)**

The *Statement of Activities* presents information showing how the Library's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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., earned but unused compensated absences).

These government-wide financial statements describe functions of the Library that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Library reflect the Library's basic services, including materials collections, reference and readers' services, youth and adult programs, interlibrary loan and outreach services, and its growing technological development which provides an online and virtual library accessibility for its community patrons.

**Fund Financial Statements**

Fund financial statements will be more familiar to traditional users of governmental financial statements. The focus of the presentation is on the major fund rather than fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The Library is presented as a single governmental fund. A governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 Balance*, provide a reconciliation to facilitate this comparison. They are:

- Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position, and
- Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Activities in the Statement of Activities.

(See independent auditors' report)



**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT (continued)**

The Library adopts an annual budget for its governmental fund, as well as adopting an annual appropriation. The Library uses the annual budget as its budgetary guide. A schedule demonstrating compliance with the budget can be found on pages 24 and 27 of this report.

**Notes to the Financial Statement**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 23 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information reflecting the Library's progress in funding its expenditures and changes in fund balance. Required supplementary information can be found on pages 24 to 28 of this report.

**Financial Analysis of the Library as a Whole**

In accordance with GASB Statement No. 34, the Library presents here comparative financial information for governmental activities, net position, as well as the original appropriation to actual expenditures. In addition, the following information provides a brief financial analysis of the Library as a whole.

**GOVERNMENT-WIDE STATEMENTS**

**Net Position**

The Library's net position decreased by \$384,401 during the year ending December 31, 2023.

The table on the following page reflects a condensed *Statement of Net Position* as of December 31, 2022, and December 31, 2023. For more detailed information see the Statement of Net Position.

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**GOVERNMENT-WIDE STATEMENTS (continued)**

**Table 1  
Statement of Net Position – Comparative Summaries**

<u><b>Governmental Activity</b></u>		
Fiscal Period Ending December 31 <sup>st</sup>	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current Assets and Deferred Outflows	\$14,103,440	\$14,456,807
Capital Assets (Net of Accumulated Depreciation)	<u>9,042,730</u>	<u>9,205,858</u>
<b>Total Assets and Deferred Outflows</b>	<u>23,146,170</u>	<u>23,662,665</u>
<b>Liabilities and Deferred Inflows</b>		
Long-Term Liabilities	6,867,909	5,614,187
Other Liabilities	218,910	40,503
Deferred Inflows	<u>5,531,961</u>	<u>7,096,184</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>12,618,780</u>	<u>12,750,874</u>
<b>Net Position</b>		
Net Investment in Capital Assets	4,497,730	4,205,859
Restricted for Pension	-	1,254,070
Unrestricted	<u>6,029,660</u>	<u>5,451,862</u>
<b>Total Net Position</b>	<u>\$10,527,390</u>	<u>\$10,911,791</u>

Total assets and deferred outflows of resources decreased \$516,495 primarily due to decrease in capital assets net and net pension asset. The Library is on a payment schedule for the bonds payments. Total liabilities and deferred inflows decreased by \$132,094, related to deferred inflow of pensions & OPEB.

(See independent auditors' report)

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**GOVERNMENT-WIDE STATEMENTS (continued)**

**Activities**

The following table summarizes the revenue and expenses of the Library for the fiscal year ending December 31, 2022 and 2023. The Library's net position decreased by \$384,401 in 2023. Property and Replacement taxes increased by \$14,788 and provided over 94.5% of the Library's funding. Property tax revenues are comparable with the prior period because the primary months of receipts, June and September, are included in both fiscal periods.

**Table 2  
Changes in Net Position  
Governmental Activity: Library**

Fiscal Year Ending December 31st	2023	2022
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 18,559	\$ 15,519
Operating Grants & Contributions	61,227	28,441
General Revenues		
Property Taxes	5,146,256	5,108,822
Replacement Tax	112,103	134,749
Investment Income	226,358	83,858
Gain on sale of surplus property	499	539
Miscellaneous & Contributions	2,382	361
Total General Revenues	5,487,604	5,328,329
<b>Total Revenues</b>	<b>5,567,390</b>	<b>5,372,289</b>
<b>Expenses</b>		
Culture and Recreation	5,719,341	4,646,033
Debt Service:		
Interest and fiscal charges	232,450	253,950
<b>Total Expenses</b>	<b>5,951,791</b>	<b>4,899,983</b>
<b>Change in Net Position</b>	<b>(384,401)</b>	<b>472,306</b>
<b>Total Net Position, Beginning of Year</b>	<b>10,911,791</b>	<b>10,439,485</b>
<b>Total Net Position, End of Year</b>	<b>\$10,527,390</b>	<b>\$10,911,791</b>

(See independent auditors' report)

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**FISCAL YEAR 2023 FINANCIAL OVERVIEW**

The following schedule provides a summary of the Library's income by source, and the expenditures by category during the fiscal year ending December 31, 2023.

**INCOME SOURCES**

Local Property and other Taxes	94.5%
Fees and Charges	0.4%
Grants	1.1%
Investment Income	4.1%
Total Income:	\$ 5,567,390

**EXPENDITURES BY CATEGORY**

Culture and Recreation	96.1%
Interest	3.9%
Total Expenditures:	\$ 5,951,791

**IMPACTS**

**Revenues**

The financial statements show an increase in revenues by about \$195,101. Property tax revenue increased by about \$14,788 and includes \$4.46 million for operations and about \$0.69 million for debt service. The revenue from charges for services increased by \$3,040 in 2023.

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**FISCAL YEAR 2023 FINANCIAL OVERVIEW (continued)**

**Expenses**

Total expenses increased by \$1,051,808 over the prior fiscal period. As required by GASB Statement No. 34, depreciation expense, in the amount of \$498,710, is also included in the *Statement of Activities*.

**FINANCIAL ANALYSIS OF THE LIBRARY FUND**

The Deerfield Public Library has one fund, a governmental fund, named the Library Fund. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. As of December 31, 2023, the Library Fund (as presented on the *Balance Sheet*) has a fund balance of \$6,942,117 showing an decrease of \$488,676. The decrease was due to building improvement projects funded through the Library's financial reserves.

The schedule on the following page, Table 3, provides a comparison of the Library's Original Appropriation to Actual, as of December 31, 2023, and a summary of the change in fund balance.

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL ANALYSIS OF THE LIBRARY FUND (continued)**

**Table 3  
Fiscal Year 2023 General Fund Budgetary Highlights**

		<u>Actual</u>
<b>Revenues</b>		
Taxes (Property and Replacement)		\$5,258,359
Investment Income		226,358
Charges for Services (Fines, Fees, Copying/Printing)		18,559
Grants		29,810
Gifts and Other		33,805
		<hr/>
Total Revenues		5,566,891
<b>Other Financing Sources</b>		
		499
		<hr/>
<b>Total Revenues &amp; Other Financing Sources</b>		<u>5,567,390</u>
	<b><u>Original Appropriation</u></b>	
<b>Expenditures</b>		
Culture and Recreation	\$5,262,000	\$5,368,616
Debt Service – Principal	455,000	455,000
Debt Service – Interest	232,450	232,450
		<hr/>
<b>Total Expenditures</b>	<u>5,949,450</u>	<u>6,056,066</u>
<b>Change in Fund Balance</b>		<u>(488,676)</u>

(See independent auditors' report)

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL ANALYSIS OF THE LIBRARY FUND (continued)**

**Capital Assets**

The following schedule reflects the Library's capital asset balances as of December 31, 2023.

**Table 4  
Balance of Capital Assets at the End of the Fiscal Year  
December 31, 2023**

<b>Governmental Activity - Library</b>	
Capital Assets Not Being Depreciated	
Land	\$65,493
Construction in Progress	335,582
	401,075
Capital Assets Being Depreciated	
Building	13,197,410
Equipment	1,684,007
	14,881,417
Less accumulated depreciation for	
Building	3,959,424
Equipment	2,280,338
	6,239,762
Total Capital Assets Being Depreciated, Net	8,641,655
<b>Governmental Activity - Library Capital Assets, Net</b>	<b>\$9,042,730</b>

**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL ANALYSIS OF THE LIBRARY FUND (continued)**

**Long-Term Debt (continued)**

Table 5 summarizes the Library’s outstanding long-term debt, as of December 31, 2023. These bond issuances are recognized as Village debt. The Library receives the property taxes levied for the G.O. debt and now pays the principal and interest to the Village as it comes due.

**Table 5  
Balance of Long-Term Debt at the End of  
The 2023 and 2022 Fiscal Years**

	December 31,	
	2023	2022
Compensated absences	\$ 94,862	\$ 94,707
Due to Village	4,545,000	5,000,000
Total Other Postemployment Benefit Liability	572,518	519,480
Net Pension Liability	1,655,529	0
<b>Total Long-Term Liabilities</b>	<b>\$6,867,909</b>	<b>\$5,614,187</b>

Please see Note 4 for further information regarding the Library’s long-term debt.

**Economic Factors**

The Deerfield Public Library is a village library, whose boundaries match those of the Village of Deerfield, and it shares the same taxing capabilities of the Village, a home-rule entity. It is not a district. The Library’s area automatically grows when the Village annexes additional properties.

The Library Board annually reviews the policy of allowing non-residents in nearby areas to purchase library services. For many years, the areas without other access to library service have included residents in Bannockburn, Riverwoods, and unincorporated Deerfield. This policy was in effect during 2023

(See independent auditors’ report)



**DEERFIELD PUBLIC LIBRARY  
DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL ANALYSIS OF THE LIBRARY FUND (continued)**

**Economic Factors (continued)**

Ongoing renovations aim to refresh the library's interior to attract new patrons and enhance the usability of its physical space. These improvements include a welcoming front desk, additional seating, office spaces, and updated signage. The Friends of the Deerfield Library, an independent, community-based non-profit support group, actively supports these efforts. Their goal is to promote and support the Library's mission within the community, reflecting the community's enthusiasm for the Library.

We are dedicated to fostering sustainable and inclusive growth within the community.

**CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens with a general overview of the Library's finances and to demonstrate accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Kelly DeCorrevont, Head of Finance, at Deerfield Public Library, 920 Waukegan Road, Deerfield, Illinois, 60015.

(See independent auditors' report)

## **BASIC FINANCIAL STATEMENTS**

# Deerfield Public Library

## Statement of Net Position

December 31, 2023

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 7,152,791
Property taxes receivable	5,291,450
Accounts receivable	5
Interest receivable	5,965
Prepaid items	2,266
Capital assets:	
Capital assets not being depreciated	401,075
Capital assets being depreciated, net of depreciation	<u>8,641,655</u>
 Total assets	 <u>21,495,207</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	1,369,972
Deferred outflows of resources related to OPEB	<u>280,991</u>
 Total deferred outflows of resources	 <u>1,650,963</u>
<b>Liabilities</b>	
Accounts payable	188,308
Accrued payroll	30,602
Noncurrent liabilities:	
Due within one year	555,889
Due in more than one year	<u>6,312,020</u>
 Total liabilities	 <u>7,086,819</u>
<b>Deferred Inflows of Resources</b>	
Property taxes levied for a future period	5,291,450
Deferred inflows related to pensions	50,472
Deferred inflows related to OPEB	<u>190,039</u>
 Total deferred inflows of resources	 <u>5,531,961</u>
<b>Net Position</b>	
Net investment in capital assets	4,497,730
Unrestricted	<u>6,029,660</u>
 Total net position	 <u><u>\$ 10,527,390</u></u>

See notes to financial statements

**Deerfield Public Library**

Statement of Activities

Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Primary Government</b>				
Governmental activities				
Culture and recreation	\$ 5,719,341	\$ 18,559	\$ 61,227	\$ (5,639,555)
Interest	232,450	-	-	(232,450)
Total governmental activities	<u>\$ 5,951,791</u>	<u>\$ 18,559</u>	<u>\$ 61,227</u>	<u>(5,872,005)</u>
		<b>General Revenues</b>		
		Taxes:		
		Property taxes		5,146,256
		Replacement taxes		112,103
		Investment income		226,358
		Gain on sale of surplus property		499
		Miscellaneous		2,388
				<u>5,487,604</u>
		Total general revenues		
				(384,401)
		Change in net position		
		<b>Net Position, Beginning</b>		<u>10,911,791</u>
		<b>Net Position, Ending</b>		<u>\$ 10,527,390</u>

See notes to financial statements

# Deerfield Public Library

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Balance Sheet -  
Governmental Fund  
December 31, 2023

	<b>General Fund</b>
<b>Assets</b>	
Cash and investments	\$ 7,152,791
Property taxes receivable	5,291,450
Interest receivable	5,965
Accounts receivable	5
Prepaid items	2,266
	<hr/>
Total assets	\$ 12,452,477
	<hr/> <hr/>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 188,308
Accrued payroll	30,602
	<hr/>
Total liabilities	218,910
	<hr/>
<b>Deferred Inflows of Resources</b>	
Property taxes levied for a future period	5,291,450
	<hr/>
Total deferred inflows of resources	5,291,450
	<hr/>
<b>Fund Balance</b>	
Nonspendable for prepaid items	2,266
Unassigned	6,939,851
	<hr/>
Total fund balance	6,942,117
	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 12,452,477
	<hr/> <hr/>

See notes to financial statements

## Deerfield Public Library

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2023

**Total Fund Balances, Governmental Funds** \$ 6,942,117

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 funds. 9,042,730

Deferred outflows of resources related to the IMRF pension do not relate  
to current financial resources and are not included in the Governmental  
Fund Balance Sheet. 1,369,972

Deferred inflows of resources related to the IMRF pension do not relate  
to current financial resources and are not included in the Governmental  
Fund Balance Sheet. (50,472)

Deferred outflows of resources related to OPEB do not relate  
to current financial resources and are not included in the Governmental  
Fund Balance Sheet. 280,991

Deferred inflows of resources related to OPEB do not relate  
to current financial resources and are not included in the Governmental  
Fund Balance Sheet. (190,039)

Some liabilities, including long-term debt, are not due and payable  
in the current period and therefore, are not reported in the funds.

Compensated absences	\$ (94,862)	
Due to the Village	(4,545,000)	
Net pension liability	(1,655,529)	
Total other postemployment benefit liability	(572,518)	
		<u>(6,867,909)</u>

**Net Position of Governmental Activities** \$ 10,527,390

## Deerfield Public Library

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Fund  
Year Ended December 31, 2023

	<b>General Fund</b>
<b>Revenues</b>	
Taxes	
Property	\$ 5,146,256
Replacement	112,103
Intergovernmental:	
Grants	29,810
Charges for services:	
Nonresident fees	8,763
Fees, fines and penalties	4,401
Photocopying	5,395
Investment income	226,358
Miscellaneous	33,805
	<hr/>
Total revenues	5,566,891
	<hr/>
<b>Expenditures</b>	
Culture and recreation	5,368,616
Debt service:	
Principal	455,000
Interest and fiscal charges	232,450
	<hr/>
Total expenditures	6,056,066
	<hr/>
Excess (deficiency) of revenues over expenditures	(489,175)
	<hr/>
<b>Other Financing Sources (Uses)</b>	
Sale of surplus property	499
	<hr/>
Total other financing sources (uses)	499
	<hr/>
Change in fund balance	(488,676)
	<hr/>
<b>Fund Balance, Beginning</b>	7,430,793
	<hr/>
<b>Fund Balance, Ending</b>	\$ 6,942,117
	<hr/> <hr/>

See notes to financial statements

## Deerfield Public Library

Reconciliation of the Governmental Fund Statement of  
Revenues, Expenditures and Changes in Fund Balance  
to the Statement of Activities  
Year Ended December 31, 2023

**Net Change in Fund Balance, Total Governmental Fund** \$ (488,676)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However,  
in the Statement of Net Position the cost of these assets is capitalized;  
and they are depreciated over their estimated useful lives and reported  
as depreciation expense in the statement of activities. This is the  
amount by which depreciation exceeds capital outlay in the current period. (163,128)

Payments made to the Village to pay for principal due on the bonds  
issued by the Village on behalf of the Library are reported as  
debt service expenditures in the governmental funds but not on the  
statement of activities. 455,000

Some expenses in the Statement of Activities do not require the  
use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

Compensated absences	(155)
Net IMRF pension liability (asset)	(2,909,599)
Deferred outflows related to the IMRF pension	992,293
Deferred inflows related to the IMRF pension	1,763,263
Deferred inflows related to OPEB	21,960
Deferred outflows related to OPEB	(2,321)
Total other postemployment benefit liability	(53,038)

**Change in Net Position, Governmental Activities** \$ (384,401)



# Deerfield Public Library

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Notes to Financial Statements  
December 31, 2023

## 1. Summary of Significant Accounting Policies

The basic financial statements of the Deerfield Public Library, Deerfield, Illinois (the Library), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental 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.

### Reporting Entity

The Library is a library corporation governed by a seven-member Board of Trustees. The reporting entity for the Library consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Library has not identified any organizations that meet this criteria.

### Basis of Presentation

#### Government-Wide and Fund Financial Statements

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

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

#### 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.

The Library reports the following major governmental fund:

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

**Measurement Focus, Basis of Accounting and Financial Statement Preparation**

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 the 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 measurable, available and earned. 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 reports unearned revenue and unavailable revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenues arise when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, 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 legal claim to the resources, the liability and deferred inflows or resource for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

The Library recognizes property taxes when they become both measurable and available in the year intended to finance. The Library considers other revenue sources as available if they are collected within one month after year end. Expenditures are recorded when the related fund liability is incurred.

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.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position**

**Deposits and Investments**

Cash and cash equivalents include amounts in demand deposits and investments with a maturity date of three months or less from the date acquired by the Library.

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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Prepaid Items**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

# Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

## Capital Assets

Capital assets, which include land, buildings and improvements, and furniture 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 \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	45
Equipment	7

## Property Tax Receivable

Property taxes for levy year 2023 attaches as an enforceable lien on January 1, 2023, on property values assessed as of the same date. Taxes are levied by December 31 by passage of a Tax Levy Ordinance. Tax bills are prepared by Cook County and issued on or about February 1, 2024, and August 1, 2024, and are payable in two installments, on or about March 1, 2024, and September 1, 2024. The county collects such taxes and remits them periodically. Tax bills are prepared by Lake County and issued on or about May 1, 2024, and August 1, 2024, and are payable in two installments, on or about June 1, 2024, and September 1, 2024. The counties collect such taxes and remits them periodically. The 2023 property tax levy is recorded as a receivable and deferred inflow of resources.

## Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

## Compensated Absences

Compensated absences are reported as expenditures and liabilities of the General Fund if the employee has retired or has been terminated by year end. Vested or accumulated vacation leave, including related social security and medicare, that is owed retirees or terminated employees is reported as expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation leave of governmental activities at the government-wide level is recorded as expense and liability as the benefits accrue to employees.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Deerfield Public Library

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Notes to Financial Statements  
December 31, 2023

### Fund Balance/Net Position

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, the Library classifies governmental fund balance as follows:

**Non spendable** - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory or pre-paid items).

**Restricted** - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, State and Federal Grant Funds).

**Committed** - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Library Board. This formal action (an ordinance) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Library Board that originally created the commitment.

**Assigned** - includes spendable fund balance amounts that are intended to be used for specific purposes determined by the Library Director or by an official that has been delegated authority to assign amounts that do not meet the criteria to be classified as restricted or committed. The Library Director may also take official action to assign amounts. Assignments may take place after the end of the reporting period.

**Unassigned** - includes negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. It is the desire of the Library to maintain adequate fund balance in the operating funds. The Library Board has adopted a financial standard to maintain a minimum fund balance of 25% of total annual budgeted expenditures not including capital and transfers.

In the government-wide 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 assets. Unrestricted net position consists of net position that does not meet the definition of restricted or net investments in capital assets. When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed.

### Accounting Estimate

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## Deerfield Public Library

Notes to Financial Statements

December 31, 2023

### 2. Deposits and Investments

The Library has adopted an investment policy. That policy follows the state statute for allowable investments. Illinois Statutes authorize the Library's to make deposits/investments 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 or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services.

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.

For disclosure purposes, cash and investments are segregated into three components: 1) cash on hand 2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts and non-negotiable certificates of deposit; and 3) investments, which consist of negotiable CDs and money market fund, as follows:

	<u>Library</u>
Cash on hand	\$ 2,775
Deposits with financial institutions	5,908,301
Money market mutual funds	100,538
Negotiable certificates of deposit	<u>1,141,177</u>
Total cash and investments	<u>\$ 7,152,791</u>

The Library has the following recurring fair value measurements as of December 31, 2023, the negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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 certificates of deposit. The negotiable certificates of deposit are not rated.

#### Custodial Credit Risk - Deposits

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. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest bearing). In addition, if deposits are held at an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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. As of December 31, 2023, all the Library deposits were insured or collateralized.

## Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2023, the Library's investment portfolio was concentrated as follows:

<b>Issuer</b>	<b>Investment Type</b>	<b>Percentage of Net Position</b>
Wells Fargo Bank	Negotiable certificate of deposit	21.88%
Capital One Bank	Negotiable certificate of deposit	21.64%
BMW Bank	Negotiable certificate of deposit	21.77%
Capital One Bank	Negotiable certificate of deposit	21.53%
Goldman Sachs	Negotiable certificate of deposit	13.18%

### Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. At December 31, 2023, the Library's investments were as follows:

	<b>Fair Value</b>	<b>Maturity (In Years)</b>			
		<b>Less Than 1</b>	<b>1 - 5</b>	<b>6 - 10</b>	<b>More Than 10</b>
Negotiable certificates of deposits	\$ 1,141,177	\$ 1,141,177	\$ -	\$ -	\$ -

In accordance with the Library's investment policy, the Library limits exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields. The investment policy limits the maximum maturity length of investments to one year from the 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.

## Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

### 3. Capital Assets

The Library's capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated	\$ 65,493	\$ 335,582	\$ -	\$ 401,075
Total capital assets not being depreciated	<u>65,493</u>	<u>335,582</u>	<u>-</u>	<u>401,075</u>
Capital assets being depreciated:				
Buildings	13,197,410	-	-	13,197,410
Equipment	<u>1,684,007</u>	<u>-</u>	<u>-</u>	<u>1,684,007</u>
Total capital assets being depreciated	<u>14,881,417</u>	<u>-</u>	<u>-</u>	<u>14,881,417</u>
Less accumulated depreciation:				
Buildings	3,666,148	293,276	-	3,959,424
Equipment	<u>2,074,904</u>	<u>205,434</u>	<u>-</u>	<u>2,280,338</u>
Total accumulated depreciation	<u>5,741,052</u>	<u>498,710</u>	<u>-</u>	<u>6,239,762</u>
Net capital assets being depreciated	<u>9,140,365</u>	<u>(498,710)</u>	<u>-</u>	<u>8,641,655</u>
Library activities capital assets, net	<u>\$ 9,205,858</u>	<u>\$ (163,128)</u>	<u>\$ -</u>	<u>\$ 9,042,730</u>

The entire depreciation expense was charged to the culture and recreation function.

# Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

## 4. Long-Term Liabilities

During the year ended December 31, 2023, the following is the long-term liability activity for the Library:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Library activities:					
Due to Village	\$ 5,000,000	\$ -	\$ 455,000	\$ 4,545,000	\$ 480,000
Compensated absences	94,707	262,440	262,285	94,862	75,889
Total other postemployment benefit	519,480	72,212	19,174	572,518	-
Net pension liability IMRF	-	1,655,529	-	1,655,529	-
	<u>\$ 5,614,187</u>	<u>\$ 1,990,181</u>	<u>\$ 736,459</u>	<u>\$ 6,867,909</u>	<u>\$ 555,889</u>

The above liabilities will be paid out of the general fund.

The 2023 bonds are in the Village's name and are a liability of the Village. The Library receives property tax collections to pay for the bond principal and interest and then remits the funds to the Village as the principal and interest payments become due.

The Library will levy the required amount annually and remitting the funds to the Village for principal and interest payments as follows:

Fiscal Year	2023 Principal	2023 Interest	Total	June 1	Amounts	December 1	Amounts
2024	\$ 480,000	\$ 209,700	\$ 689,700	2024	\$ 104,850	2024	\$ 104,850
2025	505,000	185,700	690,700	2025	92,850	2025	92,850
2026	530,000	160,450	690,450	2026	80,225	2026	80,225
2027	560,000	133,950	693,950	2027	66,975	2027	66,975
2028	590,000	105,950	695,950	2028	52,975	2028	52,975
2029	630,000	76,450	706,450	2029	38,225	2029	38,225
2030	665,000	44,950	709,950	2030	22,475	2030	22,475
2031	585,000	11,700	596,700	2031	5,850	2031	5,850
Total	<u>\$ 4,545,000</u>	<u>\$ 928,850</u>	<u>\$ 5,473,850</u>		<u>\$ 464,425</u>		<u>\$ 464,425</u>



## 5. 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. Claims from these risks have not exceeded commercial insurance coverage for the past three years.

## 6. Retirement Systems

### Illinois Municipal Retirement Fund

The Library contributes to the Illinois Municipal Retirement Fund (IMRF) an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois through the Village of Deerfield. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

The employees of the Library are pooled with the employees of Village of Deerfield for purposes of actuarial valuation. As the Library is participating under the Village's employer number, IMRF is considered to be a cost-sharing plan for the Library.

### Plan Description

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

### Contributions

As set by statute, Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's actuarially determined contribution rate for calendar year 2022 was 10.10% of annual covered payroll.

## Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

### Fiduciary Net Position

Detailed information about the IMRF fiduciary net position as of December 31, 2022 is available in the separately issued Village of Deerfield, Illinois Comprehensive Annual Financial Report as of and for the year ended December 31, 2023.

### Net Pension Liability (Asset)

At December 31, 2023, the Library reported a liability for its proportionate share of the net pension liability that reflected the Library's portion of the total net pension liability associated with the Village's employer number. The amount recognized by the Library as its proportionate share of the net pension liability, the Village's share of the net pension liability, and the total net pension liability associated with the Village's employer number were as follows:

Library's proportionate share of the net pension liability	\$ 1,655,529
Village's proportionate share of the net pension liability	<u>5,618,785</u>
Total net pension Liability	<u>\$ 7,274,314</u>

The net pension liability was measured as of December 31, 2022. The Library's proportion of the net pension liability was based on the Library's share of contributions to IMRF for the fiscal year ended December 31, 2023, relative to the total contributions of the Library and Village during that period. At December 31, 2023, the Library's proportion was 23%. The Library's proportion at December 31, 2022 was 22%.

### Summary of Significant Accounting Policies

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Actuarial Assumptions

The assumptions used to measure the total pension liability in the December 31, 2022 annual actuarial valuation included a 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, including inflation, and (c) price inflation of 2.25%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition.

### 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.

## Deerfield Public Library

Notes to Financial Statements

December 31, 2023

### Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Projected Returns/Risks		
	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	35.50 %	7.82 %	6.50 %
International equities	18.00	9.23	7.60
Fixed income	25.50	5.01	4.90
Real estate	10.50	7.10	6.20
Alternatives	9.50		
Private equity		13.43	9.90
Commodities		7.42	6.25
Cash equivalents	1.00	4.00	4.00

### Discount Rate

The discount rate used to measure the total collective pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2021 measurement date 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 Library's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

### Discount Rate Sensitivity

The following is a sensitivity analysis of the Library's proportionate share of the net pension liability/(asset) to changes in the discount rate. The table below presents the Library's proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as what the Library's proportionate share of the net pension liability/(asset) would be if it were to be 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	Current Discount Rate	1% Increase
Library's proportionate share of the collective net pension liability (asset)	\$ 3,291,477	\$ 1,655,529	\$ 380,014

## Deerfield Public Library

Notes to Financial Statements

December 31, 2023

### Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2023, the Library recognized pension expense of \$326,122. The Library reported deferred outflows and inflows of resources related to pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 181,946	\$ -
Changes in assumptions	-	50,472
Net difference between projected and actual earnings and pension plan investments	1,010,633	-
Contributions subsequent to the measurement date	177,393	-
	<u>\$ 1,369,972</u>	<u>\$ 50,472</u>
Total		

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending December 31, 2024. The remaining amounts reported as deferred outflows and inflows of resources related to pensions \$1,142,107 will be recognized in pension expense as follows:

Years ending December 31:	
2024	\$ (31,259)
2025	204,952
2026	372,566
2027	595,848
	<u>\$ 1,142,107</u>
Total	

## 7. Other Postemployment Benefits

### 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, which creates an implicit subsidy of retiree health insurance. The benefits, benefit levels, employee contributions and employer contributions are governed by the Library and can be amended by the Library through its personnel manual. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report. The activity of the plan is reported in the Library's governmental activities.

### Contributions and Benefits Provided

The Library provides pre and post Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under the Library's retirement plan. Upon a retiree becoming eligible for Medicare, the amount payable under the Library's health plan will be reduced by the amount payable under Medicare for those expense that are covered under both.

## Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

### Membership

At December 31, 2023 membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>29</u>
Total	<u><u>34</u></u>
Participating employers	<u><u>1</u></u>

### Total OPEB Liability

At December 31, 2023, the Library reported a total OPEB liability of \$572,518. The liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2024.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Payroll increases	2.75%
Healthcare cost trend rates	Initial rate of 0.20% for HMO, increasing to the ultimate trend rate of 4.75% in 2026
	Initial rate of 5.90% for PPO, decreasing to the ultimate trend rate of 5.00% in 2026

The discount rate was based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate. If the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Library, then only the Municipal Bond Rate is used in determining the Total OPEB Liability.

Active IMRF Mortality follows the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020. Police Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates. Retiree Mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

## Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2022	\$ 519,480
Changes for the year:	
Service cost	16,444
Interest	18,968
Changes of assumptions	36,800
Benefit payments	<u>(19,174)</u>
Net changes	<u>53,038</u>
Balance at December 31, 2023	<u>\$ 572,518</u>

### Discount Rate

At December 31, 2023, the discount rate used to measure the total OPEB liability was a blended rate of 3.26%, which was a change from the December 31, 2022 rate of 3.72%. Since the plan is financed on a pay-as-you-go basis, the discount rate is based on the high quality 20-year tax-exempt general obligation bond index.

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total OPEB liability	\$ 668,712	\$ 572,518	\$ 497,318

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (varies for HMO and PPO) or 1-percentage-point higher (varies for HMO and PPO) than the current healthcare cost trend rates:

	<u>1% Decrease (Varies)</u>	<u>Healthcare Cost Trent Rates (Varies)</u>	<u>1% Increase (Varies)</u>
Total OPEB liability	\$ 481,760	\$ 572,518	\$ 691,225

## Deerfield Public Library

Notes to Financial Statements  
December 31, 2023

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Library recognized OPEB expense of \$52,573. The Library reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 91,800	\$ -
Change in assumptions	<u>189,191</u>	<u>190,039</u>
Total	<u>\$ 280,991</u>	<u>\$ 190,039</u>

The amounts reported as deferred outflows of resources related to OPEB (\$90,952) will be recognized in OPEB expense as follows:

Years Ending December 31:	
2024	\$ 17,161
2025	17,161
2026	17,161
2027	18,769
2028	12,647
Thereafter	<u>8,053</u>
Total	<u>\$ 90,952</u>

## 8. Stewardship, Compliance and Accountability

### Excess Expenditures Over Budget

For the year ended December 31, 2023, the General Fund expenditures of \$6,056,066 exceeded the budget of \$5,449,450 by \$606,616.

## 9. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**



## Deerfield Public Library

### Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - General Fund

Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Taxes:		
Property	\$ 5,075,170	\$ 5,146,256
Replacement	25,000	112,103
Intergovernmental:		
Grants	20,000	29,810
Charges for services:		
Nonresident fees	5,000	8,763
Fees, fines and penalties	10,000	4,401
Photocopying	4,000	5,395
Investment income	10,000	226,358
Miscellaneous:		
Other	-	2,388
Gifts	10,500	31,417
	<hr/>	<hr/>
Total revenues	5,159,670	5,566,891
	<hr/>	<hr/>
<b>Expenditures</b>		
Culture and recreation	4,762,000	5,368,616
Debt service:		
Principal	455,000	455,000
Interest and other	232,450	232,450
	<hr/>	<hr/>
Total expenditures	5,449,450	6,056,066
	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(289,780)	(489,175)
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>		
Sale of surplus property	500	499
	<hr/>	<hr/>
Total other financing sources (uses)	500	499
	<hr/>	<hr/>
Net change in fund balance	\$ (289,280)	(488,676)
	<hr/>	<hr/>
<b>Fund Balance, Beginning</b>		7,430,793
		<hr/>
<b>Fund Balance, Ending</b>		\$ 6,942,117
		<hr/>

See notes to required supplementary information

**Deerfield Public Library**

Illinois Municipal Retirement Fund  
 Schedule of Library's Proportionate Share  
 of the Net Pension Liability/(Asset) and Library Contributions  
 Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability	22.76%	22.12%	21.88%	21.99%	22.22%	21.98%	21.00%	21.00%	21.00%
Library's proportionate share of the net pension liability/(asset)	\$ 1,655,529	\$ (1,254,070)	\$ 147,698	\$ 1,106,984	\$ 2,177,404	\$ 494,428	\$ 1,592,835	\$ 1,490,392	\$ 1,067,279
Village's proportionate share of the net pension liability/(asset)	5,618,785	(4,416,510)	527,320	3,927,673	7,623,836	1,754,797	5,992,097	5,606,714	4,014,999
Total net pension liability/(asset)	<u>\$ 7,274,314</u>	<u>\$ (5,670,580)</u>	<u>\$ 675,018</u>	<u>\$ 5,034,657</u>	<u>\$ 9,801,240</u>	<u>\$ 2,249,225</u>	<u>\$ 7,584,932</u>	<u>\$ 7,097,106</u>	<u>\$ 5,082,278</u>
Covered payroll	\$ 2,204,267	\$ 2,019,309	\$ 1,966,456	\$ 1,842,368	\$ 1,856,207	\$ 1,768,336	\$ 1,668,186	\$ 1,329,362	\$ 1,329,363
Library's proportionate share of the net pension liability/(asset) as a percentage of covered payroll	75.11%	-62.10%	7.51%	60.08%	117.30%	27.96%	95.48%	112.11%	80.28%
Plan fiduciary net position as a percentage of the total pension liability	88.56%	109.28%	98.86%	91.25%	82.21%	95.54%	84.89%	85.19%	88.97%
Contractually required contribution	\$ 177,393	\$ 222,631	\$ 250,394	\$ 252,100	\$ 184,237	\$ 232,954	\$ 201,875	\$ 213,194	\$ 209,314
Contributions in relation to the contractually required contribution	<u>(177,393)</u>	<u>(222,631)</u>	<u>(250,394)</u>	<u>(252,100)</u>	<u>(184,237)</u>	<u>(232,954)</u>	<u>(203,125)</u>	<u>(213,194)</u>	<u>(210,883)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,250)</u>	<u>\$ -</u>	<u>\$ (1,569)</u>
Covered payroll	\$ 2,337,193	\$ 2,204,268	\$ 2,019,305	\$ 1,966,456	\$ 1,842,371	\$ 1,856,206	\$ 1,678,930	\$ 1,668,186	\$ 1,605,438
Contributions as a percentage of covered payroll	7.59%	10.10%	12.40%	12.82%	10.00%	12.55%	12.02%	12.78%	13.04%

**Notes to Schedule:**

Amounts reported in 2023 reflect an investment rate of return of 7.25%, an inflation rate of 2.50%, and salary increase assumption of 3.35% to 14.25% including inflation.

The Library implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not available.

See notes to required supplementary information

## Deerfield Public Library

Retiree Health Plan  
 Schedule of Changes in the Library's Total OPEB Liability and Related Ratios  
 Last Six Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 16,444	\$ 25,910	\$ 26,525	\$ 13,228	\$ 12,516	\$ 13,825
Interest	18,968	12,507	13,711	14,672	10,264	9,296
Changes of benefit terms	-	(26,240)	-	-	-	-
Other changes	36,800	8,149	(133,553)	232,541	-	-
Differences between expected and actual experience	-	58,432	-	76,777	-	-
Changes of assumptions	-	(150,076)	(72,032)	159,431	51,596	(23,933)
Benefit payments	(19,174)	(16,367)	(15,630)	(22,814)	(20,800)	(17,025)
Net change in total OPEB liability	53,038	(87,685)	(180,979)	473,835	53,576	(17,837)
<b>Total OPEB Liability, Beginning</b>	<u>519,480</u>	<u>607,165</u>	<u>788,144</u>	<u>314,309</u>	<u>260,733</u>	<u>278,570</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 572,518</u>	<u>\$ 519,480</u>	<u>\$ 607,165</u>	<u>\$ 788,144</u>	<u>\$ 314,309</u>	<u>\$ 260,733</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 1,460,721	\$ 1,382,262	\$ 1,289,956	\$ 1,382,519	\$ 1,093,621	\$ 1,208,529
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	39.19%	37.58%	47.07%	57.01%	28.74%	21.57%

### Notes to Schedule:

Changes of assumptions. In 2022, the only change in assumptions was the discount rate. The discount rate at the beginning of the year was 3.72% and at the end of the year was 3.26%.

The Library implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

## **Deerfield Public Library**

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Notes to Required Supplementary Information  
December 31, 2023

### **1. Budgetary Information**

The budget is adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted at the fund level for the General Fund. All annual appropriations lapse at fiscal year-end.

The Library Board of Trustees has the authority to approve the budget for the General Fund. 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 supplemental appropriations were approved.

## **SUPPLEMENTARY INFORMATION**

## Deerfield Public Library

Schedule of Expenditures - Budget and Actual - General Fund  
Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>Culture and Recreation</b>		
Personnel services	\$ 3,237,250	\$ 3,351,860
Training and development	39,000	39,490
Contractual services	742,250	781,092
Commodities	637,500	591,917
Utilities	43,000	35,961
Capital outlay	63,000	568,296
	<u>4,762,000</u>	<u>5,368,616</u>
Total culture and recreation		
	<u>4,762,000</u>	<u>5,368,616</u>
<b>Debt Service</b>		
Contribution to Village, principal	455,000	455,000
Interest and other	232,450	232,450
	<u>687,450</u>	<u>687,450</u>
Total debt service		
	<u>687,450</u>	<u>687,450</u>
Total expenditures	<u>\$ 5,449,450</u>	<u>\$ 6,056,066</u>