EVERGREEN PARK PUBLIC LIBRARY

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Members of the Evergreen Park
Public Library Board of Trustees
Evergreen Park, Illinois

Board of Trustees
Evergreen Park Public Library
Evergreen Park, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the each major fund, and the aggregate remaining fund information of Evergreen Park Public Library, Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Evergreen Park Public Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Evergreen Park Public Library, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows 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. 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 Evergreen Park Public 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 Evergreen Park Public Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Evergreen Park Public 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 Evergreen Park Public Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

GW & Associates, P.C.
Hillside, Illinois
May 30, 2023

Management of the Evergreen Park Public Library (Library) provides this narrative overview and analysis for the fiscal year ended December 31, 2022. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the Library's financial statements. The statements presented include a Governmental Funds Balance Sheet and Statement of Net Position, a Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities, and notes to the financial statements.

Financial Highlights

The Library's total net position as of December 31, 2022 and 2021 were $5,040,798 and $4,789,329 respectively. For the years ended December 31, 2022 and 2021, net position increased $251,469 and $55,281, respectively. The term "net position" represents the difference between total assets/deferred outflows and total liabilities/deferred inflows of resources.

Financial Statements

The financial statements of the Library are intended to provide the reader with an understanding of the financial position of the Library as of the close of the fiscal year and the results of activities for the year then ended. The fund financial statements focus on current financial resources while government-wide financial statements are similar to a private-sector business.

The Governmental Funds Balance Sheet and Statement of Net Position provides information on the Library's assets/deferred outflows and liabilities/deferred inflows of resources. The difference between these two represents governmental fund balances for the current financial resources reporting and net position for the government-wide reporting. Increases in fund balances and net position occur when revenues exceed expenditures/expenses. Information is presented for each major fund and shows any restrictions on the fund or net position.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities reflects the results of the Library's revenues, expenditures/expenses and activities during the year and the corresponding effect on fund and net position balances. This statement shows the source of Library revenues and how those revenues were used to provide Library services.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of a comparison of budget to actual, revenues and expenditures, and IMRF pension information.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The Library's assets/deferred outflows exceed liabilities/deferred inflows by $5,090,628 as of the close of the year. Of the net position balance, $1,155,237 is unrestricted, $244,088 is restricted and $3,691,303 is the net investment in capital assets.

Condensed Statement of Net Position

	December 31,	
	2022	2021
Current Assets	$2,679,513	$2,640,036
Net Pension Asset	424,208	151,040
Capital Assets, net of Accumulated Depreciation	3,691,303	3,565,481
Total assets	6,795,024	6,356,557
Deferred Outflows of Resources	118,931	111,477
Current Liabilities	65,098	132,086
Total Liabilities	65,098	132,086
Deferred Inflows of Resources	1,758,229	1,546,619
Net Position		
Net Investment in Capital Assets	3,691,303	3,565,481
Restricted	244,088	320,557
Unrestricted	1,155,237	903,291
Total Net Position	$5,090,628	$4,789,329

Condensed Statement of Activities

	For Years Ended December 31, 2022	2021
Revenues		
Property Taxes	$ 1,318,925	$ 1,223,452
Replacement Taxes	123,083	56,465
Per Capita Grant	29,416	29,282
Other Grants	99,619	33,011
Fines and Fees	14,733	7,228
Copier and Printing	16,651	13,810
Donations	1,786	580
Interest Income	9,543	1,772
Miscellaneous	5,930	6,137
Total Revenues	1,619,686	1,371,737
Expenses		
Personnel	784,520	783,890
Library Materials	40,245	32,280
Operations	271,901	275,202
Capital Outlay	11,354	17,446
Depreciation	210,367	207,638
Total Expenses	1,318,387	1,316,456
Change in Net Position	301,299	55,281
Net Position, Beginning of Year	4,789,329	4,734,048
Net Position, End of Year	$ 5,090,628	$ 4,789,329

The following is a summary of changes in fund balances for the year ended December 31, 2022:

Governmental Funds	Fund Balance December 31, 2021	Increase (Decrease)	Fund Balance December 31, 2022
General	$ 624,549	$ 251,760	$ 876,309
Special Reserve	279,165	(131,090)	148,075
Capital Projects	82,322	(82,322)	-
Working Cash	238,235	3,933	242,168
	$ 1,224,271	$ 42,281	$ 1,266,552

The Special Reserve Fund and the Capital Projects Fund made transfers to the General Fund to fund the HVAC project paid for from the General Fund.

Budgetary Highlight

The Library's General Fund expended $1,576,539, which was $197,194 more than the final budget of $1,379,345, for the year ended December 31, 2022.

Capital Assets

The following is a summary of capital assets as of December 31:

	December 31,	
	2022	2021
Land	$ 137,198	$ 137,198
Building and Improvements	6,501,563	6,218,786
Furniture and Equipment	211,833	211,833
Library Materials	427,558	374,146
Cost of Capital Assets	7,278,152	6,941,963
Less Accumulated Depreciation	3,586,849	3,376,482
Net Capital Assets	3,691,303	3,565,481

Major capital expenditures for the year ended December 31, 2022 includes a new HVAC system, carpeting, library materials and a water heater.

Description of Current or Expected Conditions

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

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Evergreen Park Public Library, 9400 S. Troy Avenue, Evergreen Park, Illinois 60805.

BASIC FINANCIAL STATEMENTS

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and investment	$ 979,225
Receivables	
Property Taxes	1,682,202
Replacement Taxes	16,166
Prepaid Expenses	1,920
Net Pension Asset	424,208
Capital Assets	
Capital assets not being depreciated	137,198
Capital assets (net of accumulated depreciation)	3,554,105
TOTAL ASSETS	6,795,024
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	
Pension items - IMRF	
Total deferred outflows of resources	118,931
Total assets and deferred outflows of resources	6,913,955
LIABILITIES	
Due within one year	
Accounts Payable	11,097
Accrued payroll	40,643
Unearned grant revenue	9,500
Due to foundation	3,858
TOTAL LIABILITIES	65,098
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - property taxes	1,347,863
Deferred inflows of resources - pensions	410,366
TOTAL DEFERRED INFLOWS OF RESOURCES	1,758,229
NET POSITION	
Net investment in capital assets	3,691,303
Restricted	244,088
Unrestricted	1,155,237
TOTAL NET POSITION	$ 5,090,628

See accompanying notes to financial statements

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND DONATIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES
Primary government					
Culture and recreation	$ 1,318,387	$ 31,384	$ 130,821	$ -	$ (1,156,182)
Total governmental activities	1,318,387	31,384	130,821	-	(1,156,182)
TOTAL PRIMARY GOVERNMENT	$ 1,318,387	$ 31,384	$ 130,821	$ -	$ (1,156,182)

GENERAL REVENUES	
Taxes	
Property taxes levied for general purposes	1,318,925
Replacement taxes for general purposes	123,083
Investment income	9,543
Miscellaneous	5,930
TOTAL GENERAL REVENUES	1,457,481
CHANGE IN NET POSITION	301,299
NET POSITION,	
BEGINNING OF YEAR	4,789,329
END OF YEAR	$ 5,090,628

See accompanying notes to financial statements

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Special Reserve	Capital Projects	Working Cash	Total Governmental Funds
ASSETS					
Cash and Investments	$ 588,982	$ 148,075	$ -	$ 242,168	$ 979,225
Receivable					
Property taxes	1,682,202	-	-	-	1,682,202
Replacement taxes	16,166	-	-	-	16,166
Prepaid items	1,920	-	-	-	1,920
TOTAL ASSETS	2,289,270	148,075	-	242,168	2,679,513
LIABILITIES					
Accounts payable	11,097	-	-	-	11,097
Accrued payroll and liabilities	40,643	-	-	-	40,643
Unearned grant revenue	9,500	-	-	-	9,500
Due to foundation	3,858	-	-	-	3,858
TOTAL LIABILITIES	65,098	-	-	-	65,098
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	1,347,863	-	-	-	1,347,863
Total liabilities and deferred inflows of resources	1,412,961	-	-	-	1,412,961
FUND BALANCES					
Nonspendable					
Prepaid	1,920	-	-	-	1,920
Working cash	-	-	-	242,168	242,168
Restricted	-	-	-	-	-
Committed					
Capital projects	-	148,075	-	-	148,075
Unassigned	874,389	-	-	-	874,389
TOTAL FUND BALANCES	876,309	148,075	-	242,168	1,266,552
INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,289,270	$ 148,075	$ -	$ 242,168	$ 2,679,513

See accompanying notes to financial statements

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	$	1,266,552
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		3,691,303
Net pension asset for the Illinois Municipal Retirement Fund shown as an asset on the statement of net position		424,208
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position future periods and, therefore, are not reported in the governmental funds		(291,435)
NET POSITION OF GOVERNMENTAL FUNDS	$	5,090,628

See accompanying notes to financial statements

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Special Reserve	Capital Projects	Working Cash	Total Governmental Funds
REVENUES					
Taxes	$ 1,442,008	$ -	$ -	$ -	$ 1,442,008
Per capita grants	29,416	-	-	-	29,416
Other grants	33,619	-	66,000	-	99,619
Fines and Fees	14,733	-	-	-	14,733
Interest Income	1,409	4,172	21	3,941	9,543
Copier and printing	16,651	-	-	-	16,651
Miscellaneous	5,930	-	-	-	5,930
Donations	1,786	-	-	-	1,786
TOTAL REVENUES	1,545,552	4,172	66,021	3,941	1,619,686
EXPENDITURES					
Culture and recreation	1,282,408	-	858	8	1,283,274
Capital outlay	294,131	-	-	-	294,131
TOTAL EXPENDITURES	1,576,539	-	858	8	1,577,405
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,987)	4,172	65,163	3,933	42,281
OTHER FINANCING SOURCES (USES)					
Transfers in	282,747	-	-	-	282,747
Transfers (out)	-	(135,262)	(147,485)	-	(282,747)
Total other financing sources (uses)	282,747	(135,262)	(147,485)	-	-
NET CHANGE IN FUND BALANCES	251,760	(131,090)	(82,322)	3,933	42,281
FUND BALANCES					
BEGINNING OF YEAR	624,549	279,165	82,322	238,235	1,224,271
END OF YEAR	$ 876,309	$ 148,075	$ -	$ 242,168	$ 1,266,552

See accompanying notes to financial statements

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances (Deficits) - Total Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)	$	42,281
Amounts reported for governmental activities in the Statement of Activities are different because:		
The purchase of capital assets are shown as an expenditure in governmental funds but are capitalized and depreciated over their useful life on the statement of activities		336,189
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds		(210,367)
The change in the net pension asset for the Illinois Municipal Retirement Fund is reported only in the statement of activities		273,168
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities		(139,972)
Change in Net Position of Governmental Activities (Statement of Activities)	$	301,299

See accompanying notes to financial statements

Note 1: Summary of Significant Accounting Policies

The financial statements of Evergreen Park Public Library (Library) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units, except for the omission described in footnote 7. 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's reporting entity includes all entities for which the Library exercised oversight responsibility as defined by the GASB. The Library has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Library (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the Library has not included in its financial statements the activities of any other entity. The Library has been determined not to be a component unit of the Village of Evergreen Park, Illinois.

Basis of Presentation

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds, of which, all of the Library's funds are considered major).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position is reported in three parts – net investment in capital assets, restricted net position; and unassigned net position.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to Library patrons 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 meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

The government-wide Statement of Net Position and Statement of Activities and the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances present information about the reporting government as a whole and fund statements to report its financial position and the results of its operations. A reconciliation is also presented to show the differences between the government-wide and the fund presentation. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Library functions or activities.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The government-wide statements (the Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The Library recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Library. However, the property taxes are not recognized as revenue until the subsequent year when the property taxes are extended by Cook County and remitted to the Library, since that is the year they are intended to finance. Therefore, the 2022 levy is deferred and the 2021 levy, of which most collections were in 2022, is recognized as revenue. Expenditures are recognized when the related obligations are incurred.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general fund. All annual budget amounts lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds. The budget was not amended in 2022.

Cash and Investments

Illinois Revised Statutes authorize the Library to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks that are insured by the Federal Deposit Insurance Corporation. The Library is guided by the Illinois Revised Statues and has a written investment policy.

Capital Assets

The accounting treatment over property, furniture, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets'

Note 1: Summary of Significant Accounting Policies (Continued)

estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and Improvements	7-50 years
Furniture and Equipment	3-10 years
Library Materials	5 years

The Library adopted a minimum capitalization threshold of any item with a total cost greater than $1,000, except for audio visual, books and other library materials.

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period which will not be recognized as an outflow of resources (expense/expenditure) until a later date. These deferred outflows of resources includes amounts related to the differences between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments. See Note 6 for additional information on these deferred outflows.

Deferred inflows of resources consists of two items. Deferred inflows relating to property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources. Deferred inflows related to pensions represent differences between expected and actual experience and changes in assumptions. See Note 6 for additional information on deferred inflows related to pensions.

Fund Equity

The Library follows GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions. "This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as prepaid expense) or are required to be maintained intact (Working Cash Fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; 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;

Note 1: Summary of Significant Accounting Policies (Continued)

- the governing body or by an official or body to which the governing body delegates the authority: the assigned fund balance is for future purposes;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board of trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose (designated by the Board for working cash purposes) but is neither restricted nor committed.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available (i.e., patron donations), the Library's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

Compensated Absences

Vacation and sick leave do not vest or accumulate. Accordingly, no liability has been accrued at year end.

Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (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.

The Library has elected to use a December 31, 2021 measurement date. All IMRF liabilities, assets and deferred inflow and outflows are measured as of that date. This measurement date conforms to the requirements of GASB 68.

Interfund Transactions

Interfund transfers are reported as operating transfers. The Special Reserve Fund transferred $135,262 and the Capital Projects Fund Transferred $147,485 to the General Fund for the purchase of the HVAC system that was installed during the current fiscal year. The system was then paid for with expenditure from the General fund with the transferred funds.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: Deposits

Deposits. At year-end, including petty cash of $250, the carrying amount of the Library's deposits was $979,225 and the bank balance was $993,146. Of the $992,896 bank balance, $500,000 was covered by federal depository insurances, $351,526 was collateralized with securities held by the pledging financial institution's agent and $141,370 was uncollateralized.

Note 3: Property Taxes

The Village of Evergreen Park passed the Library's 2022 Tax Levy Ordinance on November 9, 2022. Property Taxes for 2021 attached as an enforceable lien on property as of January 1, 2022. Taxes are payable in two installments on or around March 1 and August 1. As such, significant tax monies are received between March and September. The County of Cook collects such taxes and remits them periodically. The 2022 property tax levy is established to fund the 2023 budget and therefore is reflected as both a receivable and as a deferred inflow of resources. The Library estimates the loss and cost of the 2022 levy at 4 percent.

Property tax revenue is budgeted and recognized based upon prior year's levy. The receipts from the 2021 levy are reported as property tax revenue in the financial statements. Substantially all of the 2021 taxes were collected by year end and within 60 days after year end.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital assets, not being depreciated				
Land	$ 137,198	$ -	$ -	$ 137,198
Capital assets being depreciated				
Building & improvements	6,218,786	282,777	-	6,501,563
Furniture & equipment	211,833	-	-	211,833
Library materials	374,146	53,412	60,963	366,595
Total capital assets being depreciated	6,804,765	336,189	60,963	7,079,991
Less: accumulated depreciation				
Building & improvements	2,963,676	140,590	-	3,104,266
Furniture & equipment	183,883	9,069	-	192,952
Library materials	228,923	60,708	60,963	228,668
Total accumulated depreciation	3,376,482	210,367	60,963	3,525,886
Total capital assets being depreciated, net	3,428,283	125,822	-	3,554,105
Capital assets , net	$ 3,565,481	$ 125,822	$ -	$ 3,691,303

Note 5: Long Term (Asset)/Liabilities

Changes in long-term (asset)/liabilities during the year were as follows:

Type of Long-Term Liability	12/31/2021	Increases	Decreases	12/31/2022	One Year
Net Pension (Asset)/Liability	$ (151,040)	$ -	$ 273,168	$ (424,208)	$ -

Note 6: Defined Benefit Pension Plan

Plan Description: The Library's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Library's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. It is a cost-sharing plan with the Village of Evergreen Park. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org. The Library participates in IMRF through the Village of Evergreen Park.

Benefits Provided: IMRF has three benefit plans. The Library participates in the Regular Plan (RP). 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 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 services, 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.

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. The Library's annual required contribution rate for calendar year 2022 and 2021 were 7.94% and 9.57%. For calendar year 2022 and 2021, the Library contributed $49,830 and $58,552 respectively, to the plan. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level.

Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note 6: Defined Benefit Pension Plan (Continued)

Net Pension (Asset)/Liability: At December 31, 2022, the Library reported an asset of $424,208 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of the contributions to the pension plan relative to the projected contributions to the IMRF plan of the Village of Evergreen Park actuarially determined. At December 31, 2021, the Library's proportion was 10.0%.

Actuarial assumptions: The total pension liability as of December 31, 2022 was determined by an actuarial valuation performed, as of December 31, 2021 using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	7.25%
Inflation	2.25%
Salary Increases	2.85% to 13.75%

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period 2017-2019.

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Rate of Return: The long-term expected rate of retun 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:

Note 6: Defined Benefit Pension Plan (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	39%	4.50%
International Equity	15%	5.75%
Fixed Income	25%	2.00%
Real Estate	10%	5.90%
Alternative Investments	10%	4.30-8.10%
Cash Equivalents	1%	1.70%
Total	100%	

Discount Rate: A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to paybenefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.0%, and the resulting single discount rate is 7.25%.

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate: The following presents the plan's net pension (asset)/liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension (asset)/liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1%Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Library's proportionate share of Net Pension (Asset)/Liability	$ (41,311)	$ (424,208)	$ (733,015)

Note 6: Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2022, the Library recognized a credit to pension expense of $83,287. At December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 61,813	$ 1,812
Changes of assumptions	7,288	7,227
Net difference between projected and actual earnings on pension plan investments	-	401,327
Total deferred amounts to be recognized in pension expense in future periods	69,101	410,366
Pension contributions made subsequent to the measurement date, through December 31, 2022	49,830	-
Total Deferred Amounts Related to Pensions	$ 118,931	$ 410,366

Pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Amounts reported as net deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ended March 31:	
2023	$ (61,272)
2024	(134,812)
2025	(84,307)
2026	(60,874)
2027	-
Thereafter	-
Total	$ (341,265)

Pension plan fiduciary net position: Detailed information about pension plan's fiduciary net position is available in the separately issued IMRF financial report.

Note 7: Other Post-Employment 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. The benefits, benefit levels, employee contributions, and any employer contributions are governed by the Library and can be amended by the Library through its personal manual. The plan does not issue a separate report. The activity of the plan is reported in the Library's governmental activities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Library is under the Village health care plan, and does not govern the benefits or benefit labels.

Note 7: Other Post-Employment Benefits (Continued)

Benefits Provided

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

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

Total OPEB Liability

The Library is encompassed in the Village of Evergreen Park actuarial valuation and has been disclosed separately in the actuarial report. Amounts related directly to the library have been reviewed and considered to be immaterial to these financial statements.

Note 8: Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; natural disasters; and injuries to the Library's employees for which the Library carries commercial insurance. There has been no significant reduction in coverage from the prior year, and settled claims have not exceeded coverage for any of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property taxes	$ 1,296,965	$ 1,318,925
Replacement taxes	30,000	123,083
Per capita grant	29,280	29,416
Other grants	12,500	33,619
Fines and fees	7,300	14,733
Interest income	1,300	1,409
Copier and printing	13,000	16,651
Miscellaneous	4,000	5,930
Donations	-	1,786
Total revenues	1,394,345	1,545,552
EXPENDITURES		
Culture and recreation		
Personnel	964,558	917,716
Library materials	106,527	93,657
Operations	290,260	271,035
Capital outlay	18,000	294,131
Total culture and recreation	1,379,345	1,576,539
Total expenditures	1,379,345	1,576,539
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,000	(30,987)
OTHER FINANCING SOURCES (USES)		
Transfers in	(15,000)	282,747
Total other financing sources (uses)	(15,000)	282,747
NET CHANGE IN FUND BALANCE	$ -	251,760
FUND BALANCE, JANUARY 1		624,549
FUND BALANCE, DECEMBER 31		$ 876,309

See accompanying notes to financial statements

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
DECEMBER 31, 2022

FISCAL YEAR ENDED DECEMBER 31,	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 49,830	$ 58,552	$ 55,831	$ 46,569	$ 55,914	$ 56,349
Contributions in relation to the actuarially determined contribution	49,830	58,552	55,831	46,569	55,914	56,349
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 530,658	$ 611,829	$ 585,041	$ 549,162	$ 539,710	$ 526,626
Contributions as a percentage of covered payroll	9.39%	9.57%	9.54%	8.48%	10.36%	10.70%

Notes to Required Supplementary Information:Schedule:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported
Actuarial Cost Method	Aggregate Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	22-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016
Mortality	For non-disabled Retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information	There were no benefit changes during the year.

Information is presented for those years for which it was available.

See independent auditor's report.

EVERGREEN PARK PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
DECEMBER 31, 2022

MEASUREMENT DATE DECEMBER 31,	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY						
Service cost	$ 57,358	$ 61,146	$ 56,710	$ 53,687	$ 57,052	$ 54,679
Interest	$ 223,279	$ 217,090	$ 187,602	$ 183,959	$ 181,815	$ 171,615
Changes of benefit terms	$ -	$ -	$ -	$ -	$ -	$ -
Differences between expected and actual experience	$ 63,856	$ 10,160	$ 28,181	$ (18,427)	$ 23,833	$ (28,669)
Changes of assumptions	$ -	$ (14,664)	$ -	$ 74,093	$ (77,320)	$ (5,820)
Benefit payments, including refunds of member contributions	$ (134,020)	$ (114,202)	$ (95,614)	$ (113,438)	$ (93,353)	$ (82,707)
	$ -			$ -	$ -	$ -
Net change in total pension liability	210,474	159,531	176,879	179,874	92,028	109,098
	$ -			$ -	$ -	$ -
Total pension liability - beginning	$ 3,118,047	3,020,877	2,607,066	$ 2,482,661	$ 2,442,356	$ 2,308,336
	$ -			$ -	$ -	$ -
TOTAL PENSION LIABILITY - ENDING	$ 3,328,521	$ 3,180,407	$ 2,783,945	$ 2,662,536	$ 2,534,383	$ 2,417,434
PLAN FIDUCIARY NET POSITION						
Contributions - employer	$ 57,476	$ 56,104	$ 46,351	$ 57,233	$ 56,463	$ 53,008
Contributions - member	$ 27,806	$ 26,868	$ 24,971	$ 24,301	$ 23,746	$ 22,567
Net investment income	$ 539,255	$ 408,406	$ 415,395	$ (119,647)	$ 376,317	$ 138,701
Benefit payments, including refunds of member contributions	$ (134,020)	$ (114,202)	$ (95,614)	$ (113,438)	$ (93,353)	$ (82,707)
Other	$ (3,914)	$ 17,517	$ 19,027	$ 29,437	$ (29,988)	$ 3,052
Net change in plan fiduciary net position	$ 486,604	$ 394,693	$ 410,130	$ (122,115)	$ 333,185	$ 134,622
Plan fiduciary net position - beginning	3,266,125	2,936,755	2,296,292	2,467,264	2,185,480	2,028,557
PLAN FIDUCIARY NET POSITION - ENDING	$ 3,752,729	$ 3,331,448	$ 2,706,421	$ 2,345,149	$ 2,518,665	$ 2,163,179
EMPLOYER'S NET PENSION LIABILITY (ASSET)	$ (424,208)	$ (151,040)	$ 77,524	$ 317,387	$ 15,718	$ 254,255
Plan fiduciary net position as a percentage of the total pension liability	112.74%	104.75%	97.22%	88.08%	99.38%	89.48%
Covered payroll	$ 600,443	$ 586,858	$ 546,593	$ 539,329	$ 527,692	$ 501,492
Employer's net pension liability/(asset) as a percentage of covered payroll	-70.65%	-25.74%	14.18%	58.85%	2.98%	50.70%

Note to Schedule:
Information is presented for those years for which it was available.

See independent auditor's report.