

**BARRINGTON PUBLIC
LIBRARY DISTRICT**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023



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Independent Auditor's Report

Board of Trustees
Barrington Public Library District
Barrington, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Barrington Public Library District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Independent Auditor's Report

implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Supplementary Information

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

Independent Auditor's Report

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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and pension information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

ATA Group, LLP

October 9, 2023

Management's Discussion and Analysis

Management of the Barrington Public Library District (District) provides this narrative overview and analysis for the fiscal year ending June 30, 2023. 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 District's financial statements which are prepared using the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. The statements presented include Governmental Funds Balance Sheet and Statement of Net Position - Modified Cash Basis, Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities - Modified Cash Basis, and notes to the financial statements. The District qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column, on the face of the statements, which reconciles the fund-based accounting policies to the government-wide statements.

Financial Highlights

The District's total net position as of June 30, 2023 and 2022 was \$26,185,842 and \$25,344,431 respectively. For the years ended June 30, 2023 and 2022, net position increased \$841,411 and \$935,216 respectively, as revenues exceeded expenses. The term "net position" represents the difference between total assets and total liabilities.

Required Financial Statements

The financial statements of the District are intended to provide the reader with an understanding of the financial position of the District 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 – Modified Cash Basis provides information on the District's assets and liabilities. 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 expenses. Information is presented for each major fund or group of funds and shows any restrictions on the fund or net position.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities – Modified Cash Basis reflects the results of the District's revenues, expenditures and activities during the year and the corresponding effect on fund and net asset balances. This statement shows the source of District 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.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$26,185,842 at the close of the fiscal year. A large portion of the District's net position reflects its net investment in capital assets. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending.

Management's Discussion and Analysis

Condensed Statement of Net Position - Modified Cash Basis

	June 30,	
	2023	2022
Current Assets	\$ 12,694,525	\$ 11,719,952
Capital Assets, net of accumulated depreciation	13,495,353	13,634,068
Total Assets	26,189,878	25,354,020
Current Liabilities	4,036	9,589
Total Liabilities	4,036	9,589
Net Position		
Net Investment in Capital Assets	13,495,353	13,634,068
Restricted	1,106,843	1,150,965
Unrestricted	11,583,646	10,559,398
Total Net Position	\$ 26,185,842	\$ 25,344,431

Condensed Statement of Activities - Modified Cash Basis

	For Years Ended June 30,	
	2023	2022
Revenues		
Property and Replacement Taxes	\$ 8,256,100	\$ 8,194,832
Investment Income (Loss)	358,077	(76,769)
Fines, Fees and Other	34,866	36,419
Grants	66,906	65,132
Donations	266	2,271
Total Revenues	8,716,215	8,221,885
Expenses		
Personnel	3,831,279	3,593,364
Library Materials and Services	740,623	750,925
Administration and Facility Operations	279,221	298,328
Professional Fees and Services	114,305	138,544
Capital Expenditures	638,800	392,861
IMRF	280,535	306,590
FICA	252,999	239,850
Maintenance and Repairs	542,678	367,898
Other	68,194	76,929
Depreciation	1,113,679	1,107,796
Loss on Disposal of Assets	12,491	13,584
Total Expenses	7,874,804	7,286,669
Change in Net Position	841,411	935,216
Net Position, Beginning of Year	25,344,431	24,409,215
Net Position, End of Year	\$ 26,185,842	\$ 25,344,431

Management's Discussion and Analysis

The following is a summary of changes in fund balances for the year ended June 30, 2023:

<u>Governmental Funds</u>	<u>Fund Balance June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>Fund Balance June 30, 2023</u>
General	\$ 8,392,492	\$ 58,512	\$ 8,451,004
Special Reserve	2,166,907	965,735	3,132,642
Working Cash	541,237	-	541,237
IMRF	122,141	59,353	181,494
FICA	151,627	18,872	170,499
Insurance	74,371	22,560	96,931
Building Maintenance	261,588	(144,906)	116,682
	<u>\$ 11,710,363</u>	<u>\$ 980,126</u>	<u>\$ 12,690,489</u>

During the fiscal year, \$1,484,730 was transferred out of the General fund to the Special Reserve fund. The District has a strategic spending plan for major repairs and maintenance necessary for upkeep of the facilities.

Budgetary Highlights and Debt Administration

The District's General Fund expended \$6,056,304 which was \$6,691,134 less than the appropriation of \$12,747,438. The appropriation sets the maximum spending limits for the fiscal year.

Capital Assets

The following is a summary of capital assets as of June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,219,377	\$ 1,219,377
Construction-In-Progress	48,270	337,617
Land Improvements	1,644,932	1,628,291
Building	18,076,798	17,319,096
Furniture, Fixtures and Equipment	3,244,606	3,127,275
Books and Library Materials	2,198,498	2,234,582
Cost of Capital Assets	26,432,481	25,866,238
Less Accumulated Depreciation	<u>12,937,128</u>	<u>12,232,170</u>
Net Capital Assets	<u>\$ 13,495,353</u>	<u>\$ 13,634,068</u>

Significant capital asset additions during the year include building renovations, service delivery ramp work, equipment, and library materials. Additional information regarding the District's capital assets can be found in Note 4 on page 14.

Description of Current or Expected Conditions

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

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Executive Director, Barrington Public Library District, 505 N. Northwest Highway, Barrington, Illinois 60010.

Basic Financial Statements

BARRINGTON PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION - MODIFIED CASH BASIS

JUNE 30, 2023

	GENERAL FUND	SPECIAL RESERVE	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF NET POSITION
ASSETS						
Cash and Investments	\$ 8,455,040	\$ 3,132,642	\$ 1,106,843	\$ 12,694,525	\$ -	\$ 12,694,525
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	13,495,353	13,495,353
Total Assets	<u>\$ 8,455,040</u>	<u>\$ 3,132,642</u>	<u>\$ 1,106,843</u>	<u>\$ 12,694,525</u>	<u>13,495,353</u>	<u>26,189,878</u>
LIABILITIES						
Total Liabilities	<u>\$ 4,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,036</u>	<u>-</u>	<u>4,036</u>
FUND BALANCES / NET POSITION						
Fund Balances						
Restricted for Statutory Purposes	-	-	1,106,843	1,106,843	(1,106,843)	-
Committed for Capital Projects	-	3,132,642	-	3,132,642	(3,132,642)	-
Committed for Library Materials	79,435	-	-	79,435	(79,435)	-
Assigned to Next Year	3,530,161	-	-	3,530,161	(3,530,161)	-
Assigned for Future Projects	242,086	-	-	242,086	(242,086)	-
Unassigned	4,599,322	-	-	4,599,322	(4,599,322)	-
Total Fund Balances	<u>8,451,004</u>	<u>3,132,642</u>	<u>1,106,843</u>	<u>12,690,489</u>	<u>(12,690,489)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 8,455,040</u>	<u>\$ 3,132,642</u>	<u>\$ 1,106,843</u>	<u>\$ 12,694,525</u>		
Net Position						
Net Investment in Capital Assets					13,495,353	13,495,353
Restricted					1,106,843	1,106,843
Unrestricted					11,583,646	11,583,646
Total Net Position					<u>\$ 26,185,842</u>	<u>\$ 26,185,842</u>

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements

BARRINGTON PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL RESERVE	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF ACTIVITIES
REVENUES						
Property Taxes	\$ 7,055,116	\$ -	\$ 1,044,235	\$ 8,099,351	\$ -	\$ 8,099,351
State Replacement Taxes	156,749	-	-	156,749	-	156,749
Investment Income (Loss)	285,643	56,799	15,635	358,077	-	358,077
Fines, Fees and Other	34,866	-	-	34,866	-	34,866
Grants	66,906	-	-	66,906	-	66,906
Donations	266	-	-	266	-	266
Total Revenues	7,599,546	56,799	1,059,870	8,716,215	-	8,716,215
EXPENDITURES / EXPENSES						
Personnel	3,831,279	-	-	3,831,279	-	3,831,279
Library Materials and Services	1,091,526	-	-	1,091,526	(350,903)	740,623
Administration and Facility Operations	277,560	1,661	-	279,221	-	279,221
Professional Fees and Services	114,305	-	-	114,305	-	114,305
Capital Expenditures	691,366	574,133	2,037	1,267,536	(628,736)	638,800
IMRF	-	-	280,535	280,535	-	280,535
FICA	-	-	252,999	252,999	-	252,999
Liability Insurance	-	-	68,194	68,194	-	68,194
Maintenance and Repairs	50,268	-	500,226	550,494	(7,816)	542,678
Depreciation	-	-	-	-	1,113,679	1,113,679
Loss on Disposal of Assets	-	-	-	-	12,491	12,491
Total Expenditures / Expenses	6,056,304	575,794	1,103,991	7,736,089	138,715	7,874,804
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,543,242	(518,995)	(44,121)	980,126	(980,126)	-
OTHER FINANCING SOURCES (USES)						
Transfers In (Out)	(1,484,730)	1,484,730	-	-	-	-
Net Change in Fund Balances	58,512	965,735	(44,121)	980,126	(980,126)	-
Change in Net Position	-	-	-	-	841,411	841,411
FUND BALANCES / NET POSITION						
Beginning of Year	8,392,492	2,166,907	1,150,964	11,710,363	13,634,068	25,344,431
End of Year	\$ 8,451,004	\$ 3,132,642	\$ 1,106,843	\$ 12,690,489	\$ 13,495,353	\$ 26,185,842

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The financial statements of the Barrington Public Library District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units (except for the basis of accounting as described in Note 1C). 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 District's accounting policies are described below.

A. Reporting Entity

The District's reporting entity includes all entities for which the District exercised oversight responsibility as defined by the GASB.

The District 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 District (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 District has not included in its financial statements the activities of any other entity.

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Position-Modified Cash Basis and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and Statement of Activities-Modified Cash Basis combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the General and the Special Reserve funds. Following is a description of major and non-major funds.

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

Special Revenue Fund Type - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: FICA, IMRF, Building Maintenance, Insurance, and Working Cash.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Projects Fund Type - The Capital Projects Funds are used to account for the acquisitions of capital assets. The Capital Project Fund of the District is the Special Reserve Fund.

C. Basis of Accounting

The government-wide statements (the Statement of Net Position-Modified Cash Basis and the Statement of Activities-Modified Cash Basis) are prepared using the economic resources measurement focus and the 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.

These financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, whereby certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures and the related liabilities are recognized when paid rather than when the obligations are incurred.

D. Budgets

Budgets are adopted on a modified cash basis. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

E. Cash and Investments

Cash includes amounts in demand and time deposits and certificates of deposit. Investments include money market mutual funds, negotiable certificates of deposit, U.S. Treasury securities, U.S. Government Agency securities and municipal bonds.

Illinois Revised Statutes authorize the District 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 are carried at fair market value. The District plans to hold the investments to maturity.

F. Capital Assets

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

Land Improvements	15-40 years
Building	10-40 years
Furniture, Fixtures and Equipment	5-20 years
Vehicle	8 years
Books and Library Materials	5-7 years

The minimum capitalization threshold is any item with a total cost greater than \$2,500.

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.

G. 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 inventory) or are required to be maintained intact;
- 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;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 (but is neither restricted nor committed).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District'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.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, or other comprehensive basis of accounting, 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 and Investments

Deposits. At year-end, the carrying amount of the District's deposits, excluding petty cash of \$800, was \$11,129,124 and the bank balance was \$11,300,800. Of the bank balance, \$3,750,000 was covered by federal depository insurance and \$7,558,000 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Investments. At year-end, the District's investment balances, carried at fair market value, were comprised of the following:

INVESTMENT	WEIGHTED AVERAGE MATURITY (IN YEARS)	WEIGHTED AVERAGE RATE	PAR VALUE	FAIR VALUE
Government Money Market	N/A	4.66%	\$ 9,088	\$ 9,088
U.S. Treasury Securities	1.7	1.45%	215,000	203,105
U.S. Government				
Agency Securities	4.8	1.94%	568,000	512,809
Municipal Bonds	3.9	1.22%	345,000	304,532
Negotiable Certificates	3.5	1.60%	<u>583,000</u>	<u>535,067</u>
			<u>\$ 1,720,088</u>	<u>\$ 1,564,601</u>

Interest Rate Risk. The District does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Diversifying and properly balancing investments and maturities, helps to avoid incurring unreasonable interest rate risk in the investment portfolio.

Notes to Financial Statements

Note 2: Deposits and Investments (Continued)

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 by investing primarily in obligations guaranteed by the United State Government or its agencies. However, the Library's investment policy does not specifically limit the Library to these types of investments. As of June 30, 2023, the Library's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>
Municipal Bonds	AA, AA+, AAA
Negotiable Certificates of Deposit	Not Rated

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. The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific issues of securities. At June 30, 2023, there were no investments that represented a concentration of the portfolio.

Custodial Credit Risk. The District's investment policy protects it from custodial credit risk by requiring investment in securities guaranteed by the U.S government, in FDIC insured institutions, or in highly rated municipal bonds.

Note 3: Property Tax Revenue Recognition

Property taxes for 2022 are attached as an enforceable lien on January 1, 2022. They were levied November 2022 by passage of Tax Levy Ordinances. Tax bills are prepared by the Counties and are issued and payable in two installments, in the spring and fall. The Counties collect such taxes and remit them periodically during the period of March through November. Property tax revenues are recognized on the cash basis and consist of tax receipts from the 2021 and 2022 tax levies.

Notes to Financial Statements

Note 4: Capital Assets

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

	Balance June 30, 2022	Increases	(Decreases)	Reclass	Balance June 30, 2022
Capital assets, not being depreciated					
Land	\$ 1,219,377	\$ -	\$ -	\$ -	\$ 1,219,377
Construction-In-Progress	337,617	48,270	-	(337,617)	48,270
Total capital assets, not being depreciated	<u>1,556,994</u>	<u>48,270</u>	<u>-</u>	<u>(337,617)</u>	<u>1,267,647</u>
Capital assets, being depreciated					
Land Improvement	1,628,291	16,641	-	-	1,644,932
Building	17,319,096	420,085	-	337,617	18,076,798
Furniture, Fixtures and Equipment	3,127,275	151,556	(34,225)	-	3,244,606
Books and Library Materials	2,234,582	350,903	(386,987)	-	2,198,498
Total capital assets being depreciated	<u>24,309,244</u>	<u>939,185</u>	<u>(421,212)</u>	<u>337,617</u>	<u>25,164,834</u>
Less accumulated depreciation for					
Land Improvement	506,467	87,308	-	-	593,775
Building and Improvements	8,469,626	487,722	-	-	8,957,348
Furniture, Fixtures and Equipment	1,762,767	227,061	(21,734)	-	1,968,094
Books and Library Materials	1,493,310	311,588	(386,987)	-	1,417,911
Total accumulated depreciation	<u>12,232,170</u>	<u>1,113,679</u>	<u>(408,721)</u>	<u>-</u>	<u>12,937,128</u>
Total capital assets being depreciated, net	<u>12,077,074</u>	<u>(174,494)</u>	<u>(12,491)</u>	<u>337,617</u>	<u>12,227,706</u>
Capital assets, net	<u>\$ 13,634,068</u>	<u>\$ (126,224)</u>	<u>\$ (12,491)</u>	<u>\$ -</u>	<u>\$ 13,495,353</u>

Note 5: Defined Benefit Pension Plan

Plan Description: The District'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 District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the District's Regular plan members are required to contribute 4.50% 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 employer annual required contribution rate for calendar years 2023 and 2022 were 7.30% and 9.53%, respectively, of annual payroll. The District 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.

Annual Pension Cost: For fiscal year ended June 30, 2023, the District's required and actual contributions for pension cost for the Regular plan were \$280,535.

Notes to Financial Statements

Note 5: Defined Benefit Pension Plan (Continued)

If the District's financial statements were presented on the accrual basis of accounting, the financial statements and footnotes would include additional information including:

- a) Actuarial assumptions
- b) Net pension obligation
- c) Deferred outflows and deferred inflows

Since the District presents its financial statements on the modified cash basis of accounting, this information is not included in the financial statements nor disclosed in the footnotes.

Note 6: Other Post-Employment Benefits

The District participates in a cost-sharing multiple employer defined benefit other post-employment benefit plan administered by Wellness Insurance Network (WIN). The District is required to offer employees, who are IMRF vested, continued health insurance participation upon termination of employment. The departing employee pays the entire health insurance premium and therefore there is no explicit subsidy. There is no implicit rate subsidy liability reflected in these financial statements since the District presents its financial statements on the modified cash basis of accounting.

Note 7: Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees at their option, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation are held in trust (until paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District's creditors.

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As such, the District participates in the Libraries of Illinois Risk Agency Cooperative (LIRA) for all risks of loss with the exception of unemployment insurance. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

The District also participates in the Library Insurance Management and Risk Control Combination, LIMRCC, which is a public entity risk pool (the pool), for unemployment insurance coverage. The District is responsible for quarterly payments and the pool is responsible for administering the program. If funds in the program are insufficient in the judgment of the pool, then the pool may assess the member's additional equal payments.

Notes to Financial Statements

Note 9: Fund Balances

The Board of Trustees has committed \$79,435 of the General Fund balance for specific library materials. This designation arose from unrestricted donations to the District.

The General Fund has \$3,530,161 assigned to next year. This amount represents the receipts from the 2022 property tax levy received as of June 30, 2023 that will be used to pay for cash disbursements made after June 30, 2023.

Management tracks all donations and assigns all unspent as available for future projects. The amount of unspent assigned funds at June 30, 2023 is \$242,086.

Note 10: Adjustments

Amounts reported in the statement of net position are different from the governmental fund balance sheet because:

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.

\$ 13,495,353

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital outlay is \$126,224 (\$1,113,679 less \$987,455). The loss on disposal of assets of \$12,491 is reflected as an expense in the statement of activities.

Note 11: Commitments

During the year ending June 30, 2023, two capital projects were undertaken. There is a generator project costing \$72,000 of which \$33,000 is unpaid. In addition, there is a renovation of the administrative office and maker space with a total cost of about \$2,600,000. Contracts have been entered into totaling \$177,000 as of year-end with about \$167,000 remaining to be paid.

Supplementary Information

BARRINGTON PUBLIC LIBRARY DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2023

	APPROPRIATION- ORIGINAL AND FINAL	ACTUAL	VARIANCE
REVENUES			
Property Taxes	\$ 7,113,028	\$ 7,055,116	\$ 57,912
State Replacement Taxes	138,685	156,749	(18,064)
Interest Income	23,256	285,643	(262,387)
Fines, Fees and Other	26,100	34,866	(8,766)
Grants	65,132	66,906	(1,774)
Donations	1,250	266	984
Total Revenues	<u>7,367,451</u>	<u>7,599,546</u>	<u>(232,095)</u>
EXPENDITURES			
Personnel	5,140,000	3,831,279	1,308,721
Library Materials and Services	2,250,000	1,091,526	1,158,474
Administration and Facility Operations	710,000	277,560	432,440
Professional Fees and Services	410,000	114,305	295,695
Capital Expenditures	4,237,438	691,366	3,546,072
Repairs and Maintenance	-	50,268	(50,268)
Total Expenditures	<u>12,747,438</u>	<u>6,056,304</u>	<u>6,691,134</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (5,379,987)</u>	<u>\$ 1,543,242</u>	<u>\$ 6,459,039</u>

Note: Budgets are adopted on the modified cash basis of accounting. All appropriations lapse at fiscal year end.

Supplementary Information

BARRINGTON PUBLIC LIBRARY DISTRICT

OTHER FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS**

FOR THE YEAR ENDED JUNE 30, 2023

	<u>IMRF</u>	<u>FICA</u>	<u>WORKING CASH</u>	<u>BUILDING MAINTENANCE</u>	<u>INSURANCE</u>	<u>TOTAL</u>
REVENUES						
Property Taxes	\$ 335,799	\$ 267,166	\$ -	\$ 350,516	\$ 90,754	\$ 1,044,235
Interest Income	4,089	4,705	-	6,841	-	15,635
Total Revenues	<u>339,888</u>	<u>271,871</u>	<u>-</u>	<u>357,357</u>	<u>90,754</u>	<u>1,059,870</u>
EXPENDITURES						
Capital Expenditures	-	-	-	2,037	-	2,037
IMRF	280,535	-	-	-	-	280,535
FICA	-	252,999	-	-	-	252,999
Building Maintenance	-	-	-	500,226	-	500,226
Liability Insurance	-	-	-	-	68,194	68,194
Total Expenditures	<u>280,535</u>	<u>252,999</u>	<u>-</u>	<u>502,263</u>	<u>68,194</u>	<u>1,103,991</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	59,353	18,872	-	(144,906)	22,560	(44,121)
FUND BALANCES						
Beginning of Year	<u>122,141</u>	<u>151,627</u>	<u>541,237</u>	<u>261,588</u>	<u>74,371</u>	<u>1,150,964</u>
End of Year	<u>\$ 181,494</u>	<u>\$ 170,499</u>	<u>\$ 541,237</u>	<u>\$ 116,682</u>	<u>\$ 96,931</u>	<u>\$ 1,106,843</u>

Supplementary Information

BARRINGTON PUBLIC LIBRARY DISTRICT SCHEDULE OF GENERAL PROPERTY TAX DATA

JUNE 30, 2023

	<u>Assessed Valuations</u>	<u>Tax Rates</u>	<u>Tax Extensions</u>	<u>Tax Collections</u>
<u>2022 LEVY</u>				
County				
Lake	\$ 1,567,597,932	.242383	\$ 3,799,591	\$ 1,785,844
Cook	Not available	Not available	Not available	2,068,634
McHenry	191,799,314	.252292	483,894	247,275
Kane	1,857,672	.227960	4,235	2,117
				<u>\$ 4,103,870</u>
<u>2021 LEVY</u>				
County				
Lake	\$ 1,521,102,159	.239866	\$ 3,648,607	\$ 3,633,643
Cook	1,522,922,365	.269	4,096,661	4,014,107
McHenry	177,992,762	.250018	445,013	442,594
Kane	1,754,010	.226181	3,967	3,968
			<u>\$ 8,194,248</u>	<u>\$ 8,094,312</u>
<u>2020 LEVY</u>				
County				
Lake	\$ 1,522,798,273	.232449	\$ 3,539,729	\$ 3,511,701
Cook	1,492,115,537	.253	3,775,052	3,684,576
McHenry	173,369,160	.262107	454,413	453,025
Kane	1,714,574	.223838	3,838	3,837
			<u>\$ 7,773,032</u>	<u>\$ 7,653,139</u>
<u>2019 LEVY</u>				
County				
Lake	\$ 1,542,176,406	.222848	\$ 3,436,709	\$ 3,423,583
Cook	1,512,862,990	.244	3,691,386	3,568,454
McHenry	185,793,771	.233628	434,066	433,757
Kane	1,608,548	.23548	3,788	3,788
			<u>\$ 7,565,949</u>	<u>\$ 7,429,582</u>
<u>2018 LEVY</u>				
County				
Lake	\$ 1,524,930,898	.217899	\$ 3,322,809	\$ 3,305,824
Cook	1,459,915,069	.248	3,620,589	3,529,868
McHenry	180,622,816	.228759	413,191	412,082
Kane	1,576,698	.231922	3,657	3,657
			<u>\$ 7,360,246</u>	<u>\$ 7,251,431</u>
<u>2017 LEVY</u>				
County				
Lake	\$ 1,500,680,253	.216694	\$ 3,251,884	\$ 3,247,346
Cook	1,501,630,309	.230	3,453,750	3,378,098
McHenry	172,084,090	.227299	391,144	390,102
Kane	1,628,176	.217605	3,543	3,543
			<u>\$ 7,100,321</u>	<u>\$ 7,019,089</u>

Other Information

BARRINGTON PUBLIC LIBRARY DISTRICT

MULTI-YEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 256,434	\$ 259,242	\$ 266,322	\$ 256,475	\$ 234,895	\$ 254,423	\$ 251,975	\$ 247,152	\$ 257,275
Interest on the Total Pension Liability	1,374,026	1,325,245	1,279,829	1,240,543	1,185,101	1,163,873	1,125,747	1,082,675	983,312
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	507,731	252,119	430,794	73,774	413,113	352,968	(22,035)	(8,231)	227,073
Assumption Changes	-	-	(253,991)	-	458,303	(522,170)	(35,432)	16,961	581,126
Benefit Payments and Refunds	(1,192,196)	(1,132,513)	(1,053,457)	(1,014,239)	(970,985)	(941,588)	(764,953)	(726,654)	(672,571)
Net Change in Total Pension Liability	945,995	704,093	669,497	556,553	1,320,427	307,506	555,302	611,903	1,376,215
Total Pension Liability - Beginning	19,419,967	18,715,874	18,046,377	17,489,824	16,169,397	15,861,891	15,306,589	14,694,686	13,318,471
Total Pension Liability - Ending (a)	\$ 20,365,962	\$ 19,419,967	\$ 18,715,874	\$ 18,046,377	\$ 17,489,824	\$ 16,169,397	\$ 15,861,891	\$ 15,306,589	\$ 14,694,686
Plan Fiduciary Net Position									
Employer Contributions	\$ 293,180	\$ 320,058	\$ 341,147	\$ 264,641	\$ 291,789	\$ 294,651	\$ 323,136	\$ 306,708	\$ 290,536
Employee Contributions	139,435	124,268	128,251	121,291	114,277	114,206	111,941	117,541	105,823
Pension Plan Net Investment Income	(2,746,932)	3,209,509	2,412,748	2,828,194	(883,840)	2,423,696	921,391	65,364	760,879
Benefit Payments and Refunds	(1,192,196)	(1,132,513)	(1,053,457)	(1,014,239)	(970,985)	(941,588)	(764,953)	(726,654)	(672,571)
Other	60,313	138,089	134,780	(58,230)	470,201	(150,466)	63,249	275,529	127,782
Net Change in Plan Fiduciary Net Position	(3,446,200)	2,659,411	1,963,469	2,141,657	(978,558)	1,740,499	654,764	38,488	612,449
Plan Fiduciary Net Position - Beginning	21,443,705	18,784,294	16,820,825	14,679,168	15,657,726	13,917,227	13,262,463	13,223,975	12,611,526
Plan Fiduciary Net Position - Ending (b)	\$ 17,997,505	\$ 21,443,705	\$ 18,784,294	\$ 16,820,825	\$ 14,679,168	\$ 15,657,726	\$ 13,917,227	\$ 13,262,463	\$ 13,223,975
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 2,368,457	\$ (2,023,738)	\$ (68,420)	\$ 1,225,552	\$ 2,810,656	\$ 511,671	\$ 1,944,664	\$ 2,044,126	\$ 1,470,711
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.37%	110.42%	100.37%	93.21%	83.93%	96.84%	87.74%	86.65%	89.99%
Covered Valuation Payroll	\$ 3,076,389	\$ 2,761,505	\$ 2,850,021	\$ 2,697,939	\$ 2,539,501	\$ 2,537,908	\$ 2,487,575	\$ 2,407,438	\$ 2,263,821
Net Pension Liability/(Asset) as a Percentage of Covered Valuation Payroll	76.99%	-73.28%	-2.40%	45.43%	110.68%	20.16%	78.18%	84.91%	64.97%

Note: This is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Other Information

BARRINGTON PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2022	\$ 293,180	\$ 293,180	\$ -	\$ 3,076,389	9.53%
2021	320,058	320,058	-	2,761,505	11.59%
2020	341,148	341,148	-	2,850,021	11.97%
2019	264,938	264,938	-	2,697,939	9.82%
2018	291,789	291,789	-	2,539,501	11.49%
2017	294,654	294,651	-	2,537,908	11.61%
2016	323,136	323,136	-	2,487,575	12.99%
2015	306,708	306,708	-	2,407,438	12.74%
2014	284,562	290,536	(5,974)	2,263,821	12.83%

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2022 Contribution Rates

<i>Actuarial Cost Method</i>	Aggregate entry age = normal
<i>Amortization Method</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period</i>	21-year closed period
<i>Asset Valuation Method</i>	5-year smoothed market; 20% corridor
<i>Wage Growth</i>	2.75%
<i>Price Inflation</i>	2.25%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases</i>	2.85% to 13.75%, including inflation
<i>Investment Rate of Return</i>	7.25%
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
<i>Mortality</i>	Pub-2010 and MP-2020 Disabled Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2020, actuarial valuation. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.