



ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2023



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ARLINGTON HEIGHTS, ILLINOIS
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ARLINGTON HEIGHTS, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Arlington Heights Memorial Library
Arlington Heights, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Arlington Heights Memorial Library (the Library) as of and for the year ended December 31, 2023 and the related notes to financial statements, which collectively comprise the 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 and each major fund of the Arlington Heights Memorial Library, Arlington Heights, Illinois as of December 31, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, which established a single model for IT subscriptions arrangement accounting based on the foundational principle that subscription arrangements are financings of the right to use an underlying asset. Our opinion is not modified with respect to these matters.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

Sikich CPA LLC

Naperville, Illinois
June 17, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

ARLINGTON HEIGHTS MEMORIAL LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2023

As the management of the Arlington Heights Memorial Library (AHML), we offer this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in the library's Financial Statements.

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

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

Government-Wide Financial Statements

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

The Statement of Activities presents information showing how AHML's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

The government-wide financial statements describe functions of AHML that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of AHML reflect AHML's basic services, including materials collections, reference and readers' services, programming, interlibrary loan and outreach services.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

AHML maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund. The General Fund is considered a "major" fund while the Capital Projects Fund is considered a "non-major" fund.

AHML adopts an annual budget for each of its governmental funds. A budgetary comparison statement has been provided elsewhere in this report to demonstrate compliance with the budget. The basic governmental fund financial statements have been included.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Additional notes to the financial statements can be found throughout this annual financial report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning AHML's progress in funding its obligation to provide benefits to its employees. Required supplementary information has been provided.

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position:

Table 1: Statement of Net Position

	Governmental Activities 2023	Governmental Activities 2022
ASSETS		
Cash and investments	\$ 15,533,155	\$ 12,317,743
Receivables (net, where applicable, of allowance for uncollectibles)		
Property taxes	14,880,124	17,833,870
Grants	100,000	0
Accounts	-	15,842
Prepaid expenses	317,008	427,615
Net pension asset – IMRF	-	5,365,182
Capital assets not being depreciated	1,363,206	700,473
Tangible and intangible capital assets (net of accumulated depreciation and amortization)	8,595,229	8,476,146
Total assets	40,788,722	45,136,871
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items - OPEB	192,947	222,646
Pension related items - IMRF	5,517,050	1,175,123
Total deferred outflows of resources	5,709,997	1,397,769
Total assets and deferred outflows of resources	46,498,719	46,534,640
LIABILITIES		
Accounts payable	413,173	232,737
Retainage payable	37,342	-
Accrued payroll	243,529	217,529
Unearned revenue	100,267	7,989
Interest payable	2,667	-
Long-term liabilities		
Due within one year	301,272	133,310
Due in more than one year	7,065,656	836,888
Total liabilities	8,163,906	1,428,453
DEFERRED INFLOWS OF RESOURCES		
Pension related items - OPEB	130,342	154,071
Pension related items - IMRF	100,448	7,266,933
Deferred revenue - property taxes	14,679,721	14,679,721
Total deferred inflows of resources	14,910,511	22,100,725
Total liabilities and deferred inflows of resources	23,074,417	23,529,178
NET POSITION		
Net investment in capital assets	9,548,027	9,176,619
Unrestricted	13,876,672	13,828,843
TOTAL NET POSITION	\$ 23,424,699	\$ 23,005,462

Net position increased \$419,237 (1.8%) during 2023. The increase was primarily due to AHML's share of IMRF liability and related deferred outflows and inflows.

The following table summarizes the revenues and expenses of the Library's activities:

Table 2: Statement of Activities

	<u>2023</u>	<u>2022</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 62,603	\$ 54,024
Operating Grants	101,540	147,137
Capital Grants and Contributions	100,000	-
General Revenues		
Property Taxes	14,885,563	14,679,130
Personal Property Replacement Tax	325,194	390,900
Investment Income	453,757	131,101
Miscellaneous	204,861	44,706
Total Revenues	<u>16,133,518</u>	<u>15,446,998</u>
EXPENSES		
Culture and recreation	15,700,985	13,128,991
Interest	13,296	-
Total Expenses	<u>15,714,281</u>	<u>13,128,991</u>
CHANGE IN NET POSITION	<u>\$ 419,237</u>	<u>\$ 2,318,007</u>

Revenues in 2023 increased as compared to 2022 due primarily to higher investment income from favorable market conditions. This increase was partially offset by higher expenses in 2023 due to increased personnel costs related to salary increases and fewer positions unfilled in 2023 as compared to 2022.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, AHML uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of December 31, 2023, the governmental funds had a combined fund balance of \$15,253,985. The combined fund balance decreased by \$57,863 in 2023, from a restated fund balance of \$15,311,848. The restatement was due to the implementation of GASB Statement 96.

The General Fund is the chief operating fund of AHML. At December 31, 2023, unassigned fund balance in the General Fund was \$14,592,560, which represents 93.7% of the total fund balance of the General Fund. The fund balance increased \$3,963,565 during the year. In addition to a transfer of \$3,000,000 from the Capital Projects Fund to the General Fund to maximize interest-earning opportunities, AHML underspent as compared to plan across all major operating expense categories which contributed to the increase.

The Capital Projects Fund reported a decrease in fund balance of \$4,021,428 driven primarily by the above-mentioned interfund transfer. The remaining decrease in 2023 is due to the use of reserve for planned capital expenditures primarily related to the main library's renovation of its Kids World space as well as staff and public computers.

GENERAL FUND BUDGETARY HIGHLIGHTS

The overall performance of the fund was favorable to budget. The actual revenues for the year totaled \$16,008,067, compared to budgeted revenue of \$15,564,572. The \$443,495 favorable variance was driven by higher than anticipated investment income due to favorable market conditions.

Expenditures had a favorable budget variance of \$474,649, and this was primarily due to over budgeting related to staffing and services. As of December 31, 2023 and December 31, 2022, AHML reported 36 and 43 open positions, respectively. Commodities and contractual services were also underspent in 2023 and 2022.

Capital Assets

The following schedules reflect AHML's capital asset balances:

Table 3: Capital Assets

	2023	2022
GOVERNMENTAL ACTIVITIES		
Capital assets not being depreciated		
Land	\$ 592,378	\$ 592,378
Permanent art	55,000	55,000
Construction in Progress	715,828	53,095
Total capital assets not being depreciated	<u>1,363,206</u>	<u>700,473</u>
Intangible capital assets not being amortized		
Software in process	-	-
Total intangible capital assets not being amortized	<u>-</u>	<u>-</u>
Total tangible and intangible capital assets not being depreciated and amortized	<u>1,363,206</u>	<u>700,473</u>
Tangible capital assets being depreciated		
Buildings and improvements	\$ 19,278,110	\$ 19,201,551
Equipment	5,024,262	4,873,777
Total tangible capital assets being depreciated	<u>24,302,372</u>	<u>24,075,328</u>
Intangible capital assets being amortized		
Software	698,666	-
Total intangible capital assets being amortized	<u>698,666</u>	<u>-</u>
Less accumulated depreciation for tangible capital assets		
Buildings and improvements	13,310,535	12,695,257
Equipment	2,943,319	2,903,925
Total accumulated depreciation	<u>16,253,854</u>	<u>15,599,182</u>
Less accumulated amortization for intangible capital assets		
Software	151,955	-
Total accumulated depreciation	<u>151,955</u>	<u>-</u>
Total tangible and intangible capital assets being depreciated and amortized, net	<u>8,595,229</u>	<u>8,476,146</u>
GOVERNMENTAL ACTIVITIES		
CAPITAL ASSETS, NET	<u>\$ 9,958,435</u>	<u>\$ 9,176,619</u>

At year-end, AHML's investment in capital assets (net of accumulated depreciation) for its governmental-type activities was \$9,958,435 (up 8.5% from \$9,176,619 in 2022). The increase is primarily due to Construction in Progress primarily related to the Kids' World renovation. Intangible assets relate to the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. More information can be found in Footnote 7 of the Annual Financial Report.

Long-Term Liabilities

The following schedule represents the Library's long-term liabilities:

Issue	Balances January 1, Restated*	Increases	Decreases	Balances December 31	Current Portion
Total OPEB liability	\$ 430,322	\$ 26,804	\$ -	\$ 457,126	\$ 61,453
Net pension liability	-	5,994,948	-	5,994,948	-
Compensated absences payable	539,876	77,490	112,920	504,446	100,889
SBITA payable	26,765	526,655	143,012	410,408	138,930
TOTAL	\$ 996,963	\$ 6,625,897	\$ 255,932	\$ 7,366,928	\$ 301,272

*Beginning balances for long-term liabilities were restated in connection with the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

At year-end 2023, the Library reported a net pension liability in IMRF of \$5,994,948 as compared to a net pension asset in IMRF of \$5,365,182 in 2022. More information can be found in Footnote 9 of the Annual Financial Report.

CONTACTING ARLINGTON HEIGHTS MEMORIAL LIBRARY

This financial report is designed to provide our citizens with a general overview of AHML's finances and to demonstrate accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Mike Driskell, Executive Director, Arlington Heights Memorial Library, 500 N. Dunton Ave., Illinois, 60004.

BASIC FINANCIAL STATEMENTS

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2023

	Governmental Activities
ASSETS	
Cash and investments	\$ 15,533,155
Receivables (net, where applicable, of allowance for uncollectibles)	
Property taxes	14,880,124
Grants	100,000
Other	397
Prepaid expenses	317,008
Capital assets not being depreciated	1,363,206
Tangible and intangible capital assets (net of accumulated depreciation and amortization)	8,595,229
Total assets	40,789,119
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items - OPEB	192,947
Pension related items - IMRF	5,517,050
Total deferred outflows of resources	5,709,997
Total assets and deferred outflows of resources	46,499,116
LIABILITIES	
Accounts payable	413,173
Retainage payable	37,342
Accrued payroll	243,529
Unearned revenue	100,267
Interest payable	2,667
Long-term liabilities	
Due within one year	301,272
Due in more than one year	7,065,656
Total liabilities	8,163,906
DEFERRED INFLOWS OF RESOURCES	
Pension related items - OPEB	130,342
Pension related items - IMRF	100,448
Deferred revenue - property taxes	14,679,721
Total deferred inflows of resources	14,910,511
Total liabilities and deferred inflows of resources	23,074,417
NET POSITION	
Net investment in capital assets	9,548,027
Unrestricted	13,876,672
TOTAL NET POSITION	\$ 23,424,699

See accompanying notes to financial statements.

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Culture and recreation	\$ 15,700,985	\$ 62,603	\$ 101,540	\$ 100,000	\$ (15,436,842)
Interest	13,296	-	-	-	(13,296)
Total governmental activities	15,714,281	62,603	101,540	100,000	(15,450,138)
TOTAL PRIMARY GOVERNMENT	\$ 15,714,281	\$ 62,603	\$ 101,540	\$ 100,000	(15,450,138)
			General Revenues		
			Taxes		
			Property		14,885,563
			Intergovernmental - unrestricted		
			Replacement taxes		325,194
			Investment income		453,757
			Miscellaneous income		204,861
			Total		15,869,375
			CHANGE IN NET POSITION		419,237
			NET POSITION, JANUARY 1		23,005,462
			NET POSITION, DECEMBER 31		\$ 23,424,699

See accompanying notes to financial statements.

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2023

	General	Nonmajor Capital Projects	Total Governmental
ASSETS			
Cash and investments	\$ 15,533,155	\$ -	\$ 15,533,155
Receivables			
Property taxes	14,880,124	-	14,880,124
Grants	-	100,000	100,000
Other	397	-	397
Prepaid items	317,008	-	317,008
Due from other funds	303,517	-	303,517
	\$ 31,034,201	\$ 100,000	\$ 31,134,201
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 226,590	\$ 186,583	\$ 413,173
Retainage payable	-	37,342	37,342
Accrued payroll	243,529	-	243,529
Interest payable	2,667	-	2,667
Unearned revenue	100,267	-	100,267
Due to other funds	-	303,517	303,517
	573,053	527,442	1,100,495
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	14,679,721	-	14,679,721
Unavailable revenue - grants	-	100,000	100,000
	14,679,721	100,000	14,779,721
	15,252,774	627,442	15,880,216
FUND BALANCES			
Nonspendable			
Prepaid items	317,008	-	317,008
Assigned			
Subsequent year's budget	871,859	-	871,859
Unassigned (deficit)	14,592,560	(527,442)	14,065,118
	15,781,427	(527,442)	15,253,985
	\$ 31,034,201	\$ 100,000	\$ 31,134,201

See accompanying notes to financial statements.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS

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

December 31, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 15,253,985
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	9,958,435
Certain revenues that are unavailable in the governmental funds are recognized as revenue in the governmental activities	100,000
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for IMRF are recognized as deferred outflows and deferred inflows of resources on the statement of net position	5,416,602
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the OPEB are recognized as deferred outflows and inflows of resources on the statement of net position	62,605
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(504,446)
IMRF net pension liability	(5,994,948)
Total OPEB liability	(457,126)
SBITA payable	(410,408)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 23,424,699</u></u>

See accompanying notes to financial statements.

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	General	Nonmajor Capital Projects	Total Governmental
REVENUES			
Property taxes	\$ 14,885,563	\$ -	\$ 14,885,563
Intergovernmental			
Replacement taxes	325,194	-	325,194
Grants	101,540	-	101,540
Charges for services	62,603	-	62,603
Investment income	428,306	25,451	453,757
Miscellaneous income	204,861	-	204,861
	<hr/>		
Total revenues	16,008,067	25,451	16,033,518
<hr/>			
EXPENDITURES			
Current			
Culture and recreation			
Administration	12,410,922	-	12,410,922
Building	552,389	-	552,389
Books and materials	1,855,268	-	1,855,268
Capital outlay	596,270	1,046,879	1,643,149
Debt service			
Principal	143,012	-	143,012
Interest and fiscal charges	13,296	-	13,296
	<hr/>		
Total expenditures	15,571,157	1,046,879	16,618,036
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	436,910	(1,021,428)	(584,518)
<hr/>			
OTHER FINANCING SOURCES (USES)			
Transfers in	3,000,000	-	3,000,000
Transfers (out)	-	(3,000,000)	(3,000,000)
Proceeds from SBITA issuance	526,655	-	526,655
	<hr/>		
Total other financing sources (uses)	3,526,655	(3,000,000)	526,655
<hr/>			
NET CHANGE IN FUND BALANCES	3,963,565	(4,021,428)	(57,863)
<hr/>			
FUND BALANCES, JANUARY 1	11,963,108	3,493,986	15,457,094
	<hr/>		
Change in accounting principle	(145,246)	-	(145,246)
<hr/>			
FUND BALANCES, JANUARY 1, AS RESTATED	11,817,862	3,493,986	15,311,848
<hr/>			
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 15,781,427	\$ (527,442)	\$ 15,253,985

See accompanying notes to financial statements.

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

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

For the Year Ended December 31, 2023

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (57,863)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capital outlay	1,573,534
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation and amortization	(962,330)
Loss on disposal of capital assets	(1,399)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned on the statement of activities	
	100,000
The change in compensated absences payable is shown as an expense on the statement of activities	
	35,430
The change in SBITA payable is shown as an expense on the statement of activities	
	143,012
The change in the net pension liability and related deferred outflows and inflows of resources for IMRF is reported only in the statement of activities	
	148,282
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities on the government-wide financial statements as other financing sources (uses) and current expenditures	
SBITA payable	(526,655)
The change in total OPEB liability, deferred inflows, and deferred outflows of resources are not a source or use of financial resources	
	<u>(32,774)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 419,237</u>

See accompanying notes to financial statements.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity

The Library is governed by a seven-member Library Board of Trustees that is separately elected. The Library Board of Trustees selects management staff and directs the affairs of the Library. As required by GAAP, these financial statements include all funds of the Library. Management has also considered all potential component units. Criteria for including a component unit in the Library's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the Library. Based upon those criteria, there are no potential component units to be included in the reporting entity. Additionally, based on the same criteria, the Library has been determined not to be a component unit of the Village of Arlington Heights, Illinois (the Village).

Based on the criteria of GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the Library does not have any component units. The Arlington Heights Memorial Library Foundation and the Friends of the Library, while potential component units, are not significant to the Library and, therefore, have been excluded from its reporting entity.

b. Fund Accounting

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

Funds are classified into the following categories: governmental, proprietary, and fiduciary. All of the Library's funds are governmental funds.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted, or assigned for the servicing of long-term debt (debt service funds), and the management of funds held in trust that can be used for governmental services (permanent funds). The General Fund is used to account for all activities of the Library not accounted for in some other fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Library. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library has no business-type activities.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Library reports the following governmental funds:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The General Fund is reported as a major governmental fund.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Capital Projects Fund accounts for the amounts assigned for future capital projects. The Capital Projects Fund is reported as a nonmajor governmental fund.

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. The Library recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and miscellaneous revenues are considered to be measurable and available only when cash is received by the Library.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
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NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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

e. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$10,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

ARLINGTON HEIGHTS MEMORIAL LIBRARY
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 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets (Continued)

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

	<u>Years</u>
Buildings and improvements	40
Equipment	5-10

Intangible asset represent the Library's right-to-use subscription-based information technology. These intangible assets, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for subscription contracts of nonfinancial assets including software.

g. Compensated Absences

Vested or accumulated vacation leave is reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation leave of governmental activities is recorded as an expense and liability on the statement of net position as the benefits accrue to employees.

h. Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities.

i. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Deferred Outflows/Inflows of Resources

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

k. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or that are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or are externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The authority to assign fund balance resides with the Board of Trustees. Any residual fund balance in the General Fund and any deficit fund balances in any other governmental funds are reported as unassigned.

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the net position is restricted as a result of enabling legislation adopted by the Library. Net investment in capital assets is the book value of capital assets less outstanding principal balances of debt that was issued to construct the capital assets.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Transactions

Interfund transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

m. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

If applicable, advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

n. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The Library categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Library held no investments subject to fair value measurement at December 31, 2023.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

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

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

a. Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral for bank balances in excess of federal depository insurance.

The Library's deposits with financial institutions were covered either by FDIC or collateral pledged to the Library, held in the Library's name.

b. Library Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, return on investment, and simplicity of management. The investment policy does not limit the maturity lengths of library investments.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in The Illinois Funds. The Illinois Funds are rated AAA by Standard and Poor's.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Library Investments (Continued)

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

Concentration of Credit Risk - The Library places no limit on the amount that may be invested in any one issuer, stating only that the Library diversify its investments to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds.

3. PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, 2023, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2024 and July 1, 2024 and are payable in two installments, on or about March 1, 2024 and August 1, 2024. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience. Since the 2023 levy is intended to fund the 2024 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources. The second installment of the 2022 tax levy bills were issued in November 2023 with payments due December 30, 2023, resulting in final collections of the 2022 levy not occurring until January and February 2024.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
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NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the Library for the year ended December 31, 2023, was as follows:

	Beginning Balances, Restated*	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 592,378	\$ -	\$ -	\$ 592,378
Permanent art	55,000	-	-	55,000
Construction in progress	53,095	662,733	-	715,828
Total capital assets not being depreciated	700,473	662,733	-	1,363,206
Intangible capital assets not being amortized				
Software in process	\$ 130,879	\$ -	\$ 130,879	\$ -
Total intangible capital assets not being amortized	130,879	-	130,879	-
Total tangible and intangible capital assets not being depreciated and amortized	831,352	662,733	130,879	1,363,206
Tangible capital assets being depreciated				
Buildings and improvements	19,201,551	76,559	-	19,278,110
Equipment	4,873,777	307,587	157,102	5,024,262
Total tangible capital assets being depreciated	24,075,328	384,146	157,102	24,302,372
Intangible capital assets being amortized				
Software	41,132	657,534	-	698,666
Total intangible capital assets being amortized	41,132	657,534	-	698,666
Less accumulated depreciation for tangible capital assets				
Buildings and improvements	12,695,257	615,278	-	13,310,535
Equipment	2,903,925	195,097	155,703	2,943,319
Total accumulated depreciation	15,599,182	810,375	155,703	16,253,854
Less accumulated amortization for intangible capital assets				
Software	-	151,955	-	151,955
Total accumulated amortization	-	151,955	-	151,955
Total tangible and intangible capital assets being depreciated and amortized, net	8,517,278	79,350	1,399	8,595,229
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 9,217,751	\$ 742,083	\$ 1,399	\$ 9,958,435

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

*Beginning balances for governmental activities were restated in connection with the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.

5. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees. The Library is a member of the Libraries of Illinois Risk Agency (LIRA), which is a consortium of 55 charter member libraries that provides risk management services and coverages to the pool of member libraries. Premiums have been displayed as expenditures in appropriate funds. Medical insurance is through the Village with third-party indemnity coverage. Losses have not exceeded coverage for the last three years.

6. CONTINGENT LIABILITIES - GRANTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, the Library expects such amounts, if any, to be immaterial.

7. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

Issue	Balances January 1, Restated*	Increases	Decreases	Balances December 31	Current Portion
Total OPEB liability	\$ 430,322	\$ 26,804	\$ -	\$ 457,126	\$ 61,453
Net pension liability	-	5,994,948	-	5,994,948	-
Compensated absences payable	539,876	77,490	112,920	504,446	100,889
SBITA payable	26,765	526,655	143,012	410,408	138,930
TOTAL	\$ 996,963	\$ 6,625,897	\$ 255,932	\$ 7,366,928	\$ 301,272

*Beginning balances for long-term liabilities were restated in connection with the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

b. Subscription-Based Information Technology Arrangements

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), the District’s SBITA activity is as follows:

The Library entered into a SBITA with a vendor for its cloud software. The arrangement is for five years. At December 31, 2023, the Library reported a SBITA asset of \$518,793 and liability in the amount of \$316,420. Principal reduction of \$98,024 was reported for the year ended December 31, 2023.

The Library entered into a SBITA with a vendor for its cloud hosting software. The arrangement is for five years. At December 31, 2023, the Library reported a SBITA asset of \$131,901 and liability in the amount of \$80,449. Principal reduction of \$24,922 was reported for the year ended December 31, 2023.

The Library entered into a SBITA with a vendor for its antivirus software. The arrangement is for three years. At December 31, 2023, the Library reported a SBITA asset of \$13,072 and no corresponding liability, as the asset was fully prepaid.

The Library entered into a SBITA with a vendor for its deep freeze software. The arrangement is for three years. At December 31, 2023, the Library reported a SBITA asset of \$1,295 and no corresponding liability, as the asset was fully prepaid.

The Library entered into a SBITA with a vendor for its learning software. The arrangement is for three years. At December 31, 2023, the Library reported a SBITA asset of \$6,840 and no corresponding liability, as principal reduction of \$6,840 was reported for the year ended December 31, 2023.

The Library entered into a SBITA with a vendor for its law software. The arrangement is for three years. At December 31, 2023, the Library reported a SBITA asset of \$26,765 and liability in the amount of \$13,539. Principal reduction of \$13,226 was reported for the year ended December 31, 2023.

Obligations of governmental activities under SBITA payable, typically paid from the General Fund, including future interest payments at December 31, 2023, were as follows:

Year Ending June 30,	SBITA	
	Principal	Interest
2024	\$ 138,930	\$ 10,807
2025	132,199	7,371
2026	139,279	3,782
TOTAL	\$ 410,408	\$ 21,960

ARLINGTON HEIGHTS MEMORIAL LIBRARY
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NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor (Capital Project)	\$ 303,517
TOTAL		\$ 303,517

The amount due from the Nonmajor Fund (Capital Projects) to the General Fund is to cover cash deficit balances.

b. Interfund Transfers

Interfund transfers for the year ended December 31, 2023, were as follows:

	Transfers In	Transfers Out
GOVERNMENTAL		
General	\$ 3,000,000	\$ -
Nonmajor (Capital Projects)	-	3,000,000
TOTAL	\$ 3,000,000	\$ 3,000,000

The \$3,000,000 from the Nonmajor Fund (Capital Projects) to the General Fund is for capital related expenditures. This transfer will not be repaid.

9. EMPLOYEE RETIREMENT SYSTEM

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

Illinois Municipal Retirement Fund

Plan Administration

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

ARLINGTON HEIGHTS MEMORIAL LIBRARY
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NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration (Continued)

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. Investments are reported at fair value.

Benefits Provided

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village and the Library are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The required employer contribution rate for the 2023 calendar was 7.78% of covered payroll. The actual employer contribution rate for the year ended December 31, 2023, was 11.91% of covered payroll.

Net Pension Liability

At December 31, 2023, the Library reported a liability of \$5,994,948 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's actual contribution to the plan for the year ended December 31, 2023, relative to the contributions of the Village, actuarially determined. At December 31, 2023, the Library's proportion was 26.15% of the total contribution to the plan.

ARLINGTON HEIGHTS MEMORIAL LIBRARY
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NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Discount rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Investment Rate

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

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2023, the Library recognized pension expense of \$812,214. At December 31, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 574,101	\$ 35,648
Changes in assumption	-	64,800
Net difference between projected and actual earnings on pension plan investments	4,020,087	-
Employer contributions subsequent to the measurement date	922,862	-
TOTAL	\$ 5,517,050	\$ 100,448

\$922,862 reported as deferred outflows of resources related to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2024	\$ (120,872)
2025	843,775
2026	1,398,492
2027	<u>2,372,345</u>
TOTAL	\$ 4,493,740

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 12,240,520	\$ 5,994,948	\$ 962,562

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided (Continued)

All health care benefits are provided through the Library’s health insurance plans. 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; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Library’s plan becomes secondary.

c. Membership

At December 31, 2022 (most recent data available), membership consisted of:

Inactive employees currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>75</u>
 TOTAL	 <u><u>77</u></u>
 Participating employers	 <u><u>1</u></u>

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2023, including updating the discount rate at December 31, 2023, as noted below.

Actuarial cost method	Entry-age normal
Inflation	3.00%
Discount rate	3.77%
Healthcare cost trend rates	6.75% Initial 4.50% Ultimate
Asset valuation method	Fair value
Mortality rates	PubS-2010 base rates projected to 2022 using scale MP-2021

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Discount Rate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2023	\$ 430,322
Changes for the period	
Service cost	26,388
Interest	16,848
Changes in assumptions	12,247
Benefit changes	-
Differences between expected and actual experience	-
Benefit payments	<u>(28,679)</u>
Net changes	<u>26,804</u>
BALANCES AT DECEMBER 31, 2023	<u>\$ 457,126</u>

There were changes in assumptions related to the discount rate.

g. Rate Sensitivity

The following is a sensitivity analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 3.77% as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	\$ 503,052	\$ 457,126	\$ 415,364

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 6.75% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Healthcare Rate (6.75%)	1% Increase (7.75%)
Total OPEB liability	\$ 394,811	\$ 457,126	\$ 532,311

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Library recognized OPEB expense of \$61,453. At December 31, 2023, the Library reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 142,108	\$ 73,689
Changes in assumption	50,839	56,653
TOTAL	\$ 192,947	\$ 130,342

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

Fiscal Year Ending December 31,	
2024	\$ 18,217
2025	14,398
2026	4,455
2027	4,172
2028	4,172
Thereafter	17,191
TOTAL	\$ 62,605

ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended December 31, 2023, the Library implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. With the implementation, the Library is required to record the beginning net position/fund balance associated with the intangible right-to-use software and SBITA liability.

The beginning fund balances/net positions of the following opinion units have been restated to reflect the new guidance as follows:

General Fund

BEGINNING FUND BALANCE, AS PREVIOUSLY REPORTED	<u>\$ 11,963,108</u>
Reversal of prepaid	<u>(145,246)</u>
Total net restatement	<u>(145,246)</u>
BEGINNING FUND BALANCE, AS RESTATED	<u>\$ 11,817,862</u>

Governmental Activities

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 23,005,462</u>
Reversal of prepaid	<u>(145,246)</u>
Recording of SBITA right-to-use asset	<u>145,246</u>
Total net restatement	<u>-</u>
BEGINNING NET POSITION, AS RESTATED	<u><u>\$ 23,005,462</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

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

For the Year Ended December 31, 2023

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property taxes	\$ 14,828,000	\$ 14,885,563
Intergovernmental		
Replacement taxes	384,000	325,194
Grants	114,572	101,540
Charges for services		
Fines	41,600	62,603
Investment income	5,000	428,306
Miscellaneous income	191,400	204,861
	<u>15,564,572</u>	<u>16,008,067</u>
EXPENDITURES		
Culture and recreation		
Administration	13,248,152	12,410,922
Building	622,233	552,389
Book and library materials	2,076,831	1,855,268
Capital outlay	98,590	596,270
Debt service		
Principal	-	143,012
Interest and fiscal charges	-	13,296
	<u>16,045,806</u>	<u>15,571,157</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(481,234)</u>	<u>436,910</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	3,000,000
Proceeds from SBITA issuance	-	526,655
	<u>-</u>	<u>3,526,655</u>
NET CHANGE IN FUND BALANCE	<u>\$ (481,234)</u>	<u>3,963,565</u>
FUND BALANCE, JANUARY 1		11,963,108
Change in accounting principle		(145,246)
FUND BALANCE, JANUARY 1, AS RESTATED		<u>11,817,862</u>
FUND BALANCE, DECEMBER 31		\$ 15,781,427

(See independent auditor's report.)

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTRETIREMENT BENEFIT PLAN**

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023
TOTAL OPEB LIABILITY						
Service cost	\$ 9,231	\$ 16,755	\$ 22,503	\$ 18,970	\$ 29,643	\$ 26,388
Interest	10,210	13,891	11,443	5,774	5,581	16,848
Changes in assumptions	(16,812)	71,130	24,911	5,860	(66,358)	12,247
Benefit changes	-	-	(47,757)	-	-	-
Differences between expected and actual experience	53,226	-	(120,301)	-	170,776	-
Benefit payments	(14,604)	(18,959)	(30,009)	(6,491)	(25,335)	(28,679)
Net change in total OPEB liability	41,251	82,817	(139,210)	24,113	114,307	26,804
Total OPEB liability - beginning	307,044	348,295	431,112	291,902	316,015	430,322
TOTAL OPEB LIABILITY - ENDING	\$ 348,295	\$ 431,112	\$ 291,902	\$ 316,015	\$ 430,322	\$ 457,126
Covered-employee payroll	\$ 4,705,766	\$ 4,846,939	\$ 4,658,129	\$ 4,797,873	\$ 5,093,562	\$ 5,246,369
Employer's total OPEB liability as a percentage of covered-employee payroll	7.40%	8.89%	6.27%	6.59%	8.45%	8.71%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There was a change in assumptions related to the discount rate in 2019.

There were changes in assumptions related to the discount rate, mortality rates, and healthcare cost trend rates in 2020.

There were changes in assumptions related to the discount rate in 2021.

There were changes in assumptions related to the discount rate and healthcare cost trend rates in 2022.

There were changes in assumptions related to the discount rate in 2023.

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

(See independent auditor's report.)

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 3,159,698	\$ 3,257,572	\$ 3,170,250	\$ 876,141	\$ 694,837	\$ 916,188	\$ 743,914	\$ 775,222	\$ 602,721
Contributions in relation to the actuarially determined contribution	3,168,474	3,257,572	3,170,250	877,582	704,063	916,188	858,812	816,877	922,862
CONTRIBUTION DEFICIENCY (EXCESS)	\$ (8,776)	\$ -	\$ -	\$ (1,441)	\$ (9,226)	\$ -	\$ (114,898)	\$ (41,655)	\$ (320,141)
Covered payroll	\$ 24,380,386	\$ 24,924,034	\$ 25,690,842	\$ 6,887,899	\$ 7,102,344	\$ 7,248,323	\$ 7,153,022	\$ 7,454,057	\$ 7,747,058
Contributions as a percentage of covered payroll	13.00%	13.07%	12.34%	12.74%	10.14%	12.64%	12.01%	10.96%	11.91%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 21 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 3.25% compounded annually.

Beginning December 31, 2018, the information above is presented for the Library only. Prior years include Village information.

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

(See independent auditor's report.)

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

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

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employer's proportion of net pension liability (asset)	26.15%	26.15%	26.15%	26.15%	26.15%	26.15%	26.15%	26.15%	26.15%
Employer's proportionate share of net pension liability (asset)	\$ 3,807,757	\$ 5,821,779	\$ 6,092,299	\$ 1,299,308	\$ 7,926,473	\$ 3,860,124	\$ 15,800	\$ (5,365,182)	\$ 5,994,948
Employer's covered payroll	5,073,649	6,231,627	6,370,583	6,566,068	6,887,899	7,102,344	7,248,323	7,153,022	7,454,057
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.05%	93.42%	95.63%	19.79%	115.08%	54.35%	0.22%	(75.01%)	80.43%
Plan fiduciary net position as a percentage of the total pension liability	90.96%	86.40%	86.35%	97.10%	83.82%	92.46%	99.97%	109.90%	89.34%

Prior to 2019, the Library was presented as a component unit of the Village. Beginning January 1, 2019, IMRF is presented as a cost-sharing plan with the Village. Information above for 2015 through 2018 is estimated based on the allocation used in 2019.

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

(See independent auditor's report.)

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2023

BUDGETS

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

Expenditures may not legally exceed budgeted appropriations at the fund level. There were no budget amendments made throughout the fiscal year.

INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2023

	Original and Final Budget	Actual
EXPENDITURES		
Administration		
Salaries	\$ 8,897,352	\$ 8,317,862
Employee benefits	1,334,703	1,410,748
IMRF	934,166	935,259
Insurance - medical/life	14,900	14,329
Social Security and Medicare	667,506	612,746
Other employee benefits	46,564	22,679
Professional technical services	357,750	286,390
Office supplies	35,511	35,025
Contractual services	959,700	775,884
Total administration	<u>13,248,152</u>	<u>12,410,922</u>
Building		
Utilities	16,972	25,641
Maintenance	496,966	420,604
Equipment rental	4,270	2,268
Tools and equipment	62,023	58,325
Other property services	42,002	45,551
Total building	<u>622,233</u>	<u>552,389</u>
Books and Library Materials		
Library supplies	1,509,677	1,323,188
Other supplies	567,154	532,080
Total books and library materials	<u>2,076,831</u>	<u>1,855,268</u>
Capital outlay	<u>98,590</u>	<u>596,270</u>
Debt Service		
Principal	-	143,012
Interest and fiscal charges	-	13,296
Total debt service	<u>-</u>	<u>156,308</u>
TOTAL EXPENDITURES	<u><u>\$ 16,045,806</u></u>	<u><u>\$ 15,571,157</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**ARLINGTON HEIGHTS MEMORIAL LIBRARY
ARLINGTON HEIGHTS, ILLINOIS**

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

For the Year Ended December 31, 2023

	Original and Final Budget	Actual
REVENUES		
Investment income	\$ 7,500	\$ 25,451
Total revenues	7,500	25,451
EXPENDITURES		
Capital outlay	1,780,413	1,046,879
Total expenditures	1,780,413	1,046,879
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,772,913)	(1,021,428)
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	(3,000,000)
Total other financing sources (uses)	-	(3,000,000)
NET CHANGES IN FUND BALANCE	\$ (1,772,913)	(4,021,428)
FUND BALANCE, JANUARY 1		3,493,986
FUND BALANCE (DEFICIT), DECEMBER 31		\$ (527,442)

(See independent auditor's report.)