

ORLAND PARK PUBLIC LIBRARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022



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Independent Auditor's Report

Board of Library Trustees
Orland Park Public Library
Orland Park, Illinois

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major and non-major fund of the Orland Park Public Library, as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Orland Park Public Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally

Independent Auditor's Report

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 7 and 24 through 29 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.

Independent Auditor's Report

Supplementary Information

Management is responsible for the supplementary information included in the annual financial statements. The supplementary information included in the annual financial statements consists of the Statement of Expenditures – Budget and Actual – General Fund, 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 supplementary 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 supplementary information and consider whether a material inconsistency exists between the supplementary information and the basic financial statements, or the supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplementary information exists, we are required to describe it in our report.

ATA GROUP, LLP

April 12, 2023

Management's Discussion and Analysis

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

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the Library's financial statements. The statements presented include a Governmental Funds Balance Sheet and Statement of Net Position, a Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities, and notes to the financial statements. The Library qualifies as a special-purpose governmental entity 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 Library's total net position as of December 31, 2022 and 2021 was \$23,330,079 and \$22,935,735, respectively. For the years ended December 31, 2022 and 2021, net position increased \$394,344 and \$409,327, respectively. The term "net position" represents the difference between total assets/deferred outflows of resources and total liabilities/deferred inflows of resources.

Financial Statements

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

The Governmental Funds Balance Sheet and Statement of Net Position provides information on the Library's assets/deferred outflows of resources and liabilities/deferred inflows of resources. The difference between these two represents governmental fund balances for the current financial resources reporting and net position for the government-wide reporting. Increases or decreases in fund balances and net position occur when revenues exceed or fall short of expenditures/expenses. Information is presented for each fund 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 reflects the results of the Library's revenues, expenditures and activities during the year and the corresponding effect on fund and net position balances. This statement shows the source of Library revenues and how those revenues were used to provide Library services.

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of information related to pension and OPEB liabilities and contributions as well as general fund revenues and expenditures compared to estimated receipts and appropriations.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The Library's assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by \$23,330,079 as of the close of the year. Of the net position balance, \$5,883,425 is unrestricted, \$1,349,539 is restricted, and \$16,097,115 represents its net investment in capital assets. The capital assets are used to provide services and consequently, are not available to liquidate liabilities, or other spending.

Management's Discussion and Analysis

Condensed Statement of Net Position

	December 31,	
	2022	2021
Assets		
Current Assets	\$ 14,199,706	\$ 14,012,407
Net Pension Asset	495,612	-
Capital Assets, net of accumulated depreciation	16,097,115	16,733,342
Total Assets	30,792,433	30,745,749
Deferred Outflows of Resources	1,440,370	1,894,222
Total Assets, Deferred Outflows of Resources	32,232,803	32,639,971
Liabilities		
Current Liabilities	113,401	76,109
Non-Current Liabilities	247,325	931,059
Total Liabilities	360,726	1,007,168
Deferred Inflows of Resources	8,541,998	8,697,068
Net Position		
Net Investment in Capital Assets	16,097,115	16,733,342
Restricted for Retirement	495,612	-
Restricted for Capital Campaign and Debt Service	853,927	823,244
Unrestricted	5,883,425	5,379,149
Total Net Position	\$ 23,330,079	\$ 22,935,735

Condensed Statement of Activities

	For the Years Ended December 31,	
	2022	2021
Revenues		
Property and Replacement Taxes	\$ 7,196,705	\$ 6,509,929
Grants	170,873	91,231
Gifts	39,168	14,650
Interest Income	73,428	3,903
Fines, Fees and Other	56,792	58,167
Total Revenues	7,536,966	6,677,880
Expenses		
Staff	3,498,702	3,288,146
Library Materials	612,016	562,956
Contractual Services	294,701	321,602
Physical Facilities	347,916	297,516
Development	152,798	89,954
Supplies	44,721	40,368
Other Expenses	1,096	481
Renovation	5,807	-
IMRF and FICA (see Note 10)	359,337	183,437
Audit	17,010	17,291
Insurance	29,660	38,488
Debt Service	887,753	541,492
OPEB Expense	(45,909)	(33,493)
Depreciation	937,014	920,315
Total Expenses	7,142,622	6,268,553
Change in Net Position	394,344	409,327
Net Position, Beginning of Year	22,935,735	22,526,408
End of Year	\$ 23,330,079	\$ 22,935,735

Management's Discussion and Analysis

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

Governmental Funds	Fund Balance December 31, 2021	Increase (Decrease)	Fund Balance December 31, 2022
General	\$ 4,951,709	\$ 949,046	\$ 5,900,755
Special Reserve	1,066,496	(232,440)	834,056
Capital Campaign	183,124	2,910	186,034
Debt Service	631,366	33,789	665,155
Total Fund Balances	\$ 6,832,695	\$ 753,305	\$ 7,586,000

Budgetary Highlight

The Library's General Fund expended \$5,649,554, which was \$875,446 less than the appropriation of \$6,525,000 for the year ended December 31, 2022. The appropriation sets the maximum spending limit for the fiscal year.

Capital Assets and Debt Administration

The following is a summary of capital assets:

	December 31,	
	2022	2021
Land	\$ 200,000	\$ 200,000
Artwork	62,702	62,702
Software	232,001	232,001
Building and Improvements	25,894,761	25,649,161
Furniture & Equipment	672,917	630,623
Vehicles	67,757	67,757
Cost of Capital Assets	27,130,138	26,842,244
Less Accumulated Depreciation	11,033,023	10,108,902
Net Capital Assets	\$ 16,097,115	\$ 16,733,342

During 2022, the Library replaced its boiler and old servers. The Library also received a donation of a Steinway piano. The Library paid the Village of Orland Park \$888,912 of principal and interest on bonds the Village issued, and later refinanced twice, to construct the Library. This was the final payment due to the Village and as of December 31, 2022, the Library portion of the refunding bonds was fully retired. See Notes 4 and 5 on pages 15 and 16 for more information on capital assets and debt.

Description of Current or Expected Conditions

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 Library in the near future.

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Library Director, Orland Park Public Library, 14921 Ravinia Avenue, Orland Park, Illinois 60462.

Basic Financial Statements

ORLAND PARK PUBLIC LIBRARY

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

DECEMBER 31, 2022

	GENERAL FUND	SPECIAL RESERVE FUND	CAPITAL CAMPAIGN FUND	DEBT SERVICE FUND	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF NET POSITION
ASSETS							
Cash	\$ 4,407,194	\$ 838,701	\$ 186,034	\$ 478,747	\$ 5,910,676	\$ -	\$ 5,910,676
Property Taxes Receivable	7,777,072	-	-	186,408	7,963,480	-	7,963,480
Prepaid Expenses	200,797	-	-	-	200,797	-	200,797
Grants Receivable	84,286	-	-	-	84,286	-	84,286
Other Receivable	40,467	-	-	-	40,467	-	40,467
Net Pension Asset	-	-	-	-	-	495,612	495,612
Capital Assets, net of accumulated depreciation	-	-	-	-	-	16,097,115	16,097,115
Total Assets	12,509,816	838,701	186,034	665,155	14,199,706	16,592,727	30,792,433
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Items Related to Pension (IMRF)	-	-	-	-	-	1,440,370	1,440,370
Total Assets and Deferred Outflows of Resources	\$ 12,509,816	\$ 838,701	\$ 186,034	\$ 665,155	\$ 14,199,706	\$ 18,033,097	\$ 32,232,803
LIABILITIES							
Accounts Payable	\$ 108,756	\$ 4,645	\$ -	\$ -	\$ 113,401	\$ -	\$ 113,401
Accrued Compensated Absences, Long-term	-	-	-	-	-	30,590	30,590
Net OPEB Liability, Long-term	-	-	-	-	-	216,735	216,735
Total Liabilities	108,756	4,645	-	-	113,401	247,325	360,726
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Taxes	6,500,305	-	-	-	6,500,305	-	6,500,305
Deferred Items Related to Pensions (IMRF)	-	-	-	-	-	2,041,693	2,041,693
Total Deferred Inflows of Resources	6,500,305	-	-	-	6,500,305	2,041,693	8,541,998
FUND BALANCES / NET POSITION							
Fund Balances							
Non-spendable	200,797	-	-	-	200,797	(200,797)	-
Restricted for Specific Purposes	-	-	186,034	-	186,034	(186,034)	-
Restricted for Statutory Purposes	2,738	-	-	665,155	667,893	(667,893)	-
Committed for Capital Projects	-	834,056	-	-	834,056	(834,056)	-
Unassigned	5,697,220	-	-	-	5,697,220	(5,697,220)	-
Total Fund Balances	5,900,755	834,056	186,034	665,155	7,586,000	(7,586,000)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,509,816	\$ 838,701	\$ 186,034	\$ 665,155	\$ 14,199,706		
Net Position							
Net Investment in Capital Assets						16,097,115	16,097,115
Restricted for Retirement						495,612	495,612
Restricted for Capital Campaign and Debt Service						853,927	853,927
Unrestricted						5,883,425	5,883,425
Total Net Position						\$ 23,330,079	\$ 23,330,079

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

Basic Financial Statements

ORLAND PARK PUBLIC LIBRARY

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

FOR THE YEAR ENDED DECEMBER 31, 2022

	GENERAL FUND	SPECIAL RESERVE FUND	CAPITAL CAMPAIGN FUND	DEBT SERVICE FUND	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF ACTIVITIES
REVENUES							
Property Taxes	\$ 6,235,007	\$ -	\$ -	\$ 910,475	\$ 7,145,482	\$ -	\$ 7,145,482
State Replacement Taxes	51,223	-	-	-	51,223	-	51,223
Grants	170,873	-	-	-	170,873	-	170,873
Fines and Fees	53,103	-	-	-	53,103	-	53,103
Gifts	35,618	-	3,550	-	39,168	-	39,168
Interest Income	49,087	13,200	74	11,067	73,428	-	73,428
Miscellaneous	3,689	-	-	-	3,689	-	3,689
Total Revenues	6,598,600	13,200	3,624	921,542	7,536,966	-	7,536,966
EXPENDITURES / EXPENSES							
Staff	3,495,454	-	-	-	3,495,454	3,248	3,498,702
Library Materials	612,016	-	-	-	612,016	-	612,016
Contractual Services	294,701	-	-	-	294,701	-	294,701
Physical Facilities	402,389	245,600	714	-	648,703	(300,787)	347,916
Development	152,798	-	-	-	152,798	-	152,798
Supplies	44,721	-	-	-	44,721	-	44,721
IMRF Pension	369,441	-	-	-	369,441	(234,605)	134,836
Contribution to FICA	224,501	-	-	-	224,501	-	224,501
Audit	17,010	-	-	-	17,010	-	17,010
Insurance	29,660	-	-	-	29,660	-	29,660
Other Expenses	1,056	40	-	-	1,096	-	1,096
Renovation	5,807	-	-	-	5,807	-	5,807
Debt Service Paid to Village	-	-	-	887,753	887,753	-	887,753
OPEB Expense	-	-	-	-	-	(45,909)	(45,909)
Depreciation	-	-	-	-	-	937,014	937,014
Total Expenditures / Expenses	5,649,554	245,640	714	887,753	6,783,661	358,961	7,142,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	949,046	(232,440)	2,910	33,789	753,305	(358,961)	-
Change in Net Position						394,344	394,344
FUND BALANCES / NET POSITION							
Beginning of Year	4,951,709	1,066,496	183,124	631,366	6,832,695	16,103,040	22,935,735
End of Year	\$ 5,900,755	\$ 834,056	\$ 186,034	\$ 665,155	\$ 7,586,000	\$ 15,744,079	\$ 23,330,079

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 Orland Park Public Library (Library) have been prepared in conformity with U.S. generally accepted accounting principles as applied to government units. 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. Reporting Entity

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

The Library has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Library (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the Library has not included in its financial statements the activities of any other entity.

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 and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combine 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 Library functions or activities.

Based on relative dollar values it has been determined that General and Debt Service are major funds and Special Reserve and Capital Campaign are non-major funds of the Library. Following is a description of the funds.

General Fund – The General Fund is the operating fund of the Library. It is used to account for all financial resources not accounted for in some other fund.

Special Reserve and Capital Campaign – These funds are used to account for the acquisition or construction of capital assets and for restricted contributions.

Debt Service Fund – This fund accounts for the monies received (primarily taxes) and payments made, to retire bond debt incurred by the Village on behalf of the Library.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general fund. All annual budget amounts lapse at fiscal year end.

A proposed budget is prepared annually and made available for public inspection at least thirty days prior to a public hearing and formal adoption. The Library may make transfers among the various items in any fund not exceeding, in the aggregate, ten percent of the total budget for a particular fund. The budget may be amended in other ways by the same procedures required for its original adoption.

E. Deposits

Cash includes amounts in demand deposits, money market accounts and certificates of deposits. The vast majority of funds are invested with PMA Financial Network, Inc. which maintains an IPRIME account (a cash management fund exclusively for Illinois municipalities) and purchases certificates of deposit for the Library.

Illinois Revised Statutes authorize the Library to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer’s investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Statutes as amended by Public Act 86-426. Investments may only be made in banks that are insured by the Federal Deposit Insurance Corporation.

F. Capital Assets

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

Government-wide Statements

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and Improvement	15-40 years
Furniture and Equipment	5-15 years
Software	5 years
Vehicles	5 years

The minimum capitalization threshold is any item with a total cost greater than \$10,000.

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. Deferred Outflows and Inflows of Resources

Deferred outflows of resources related to pension expense represent amounts related to the differences between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on pension plan investments and post measurement date payments. See Note 6 for additional information on these deferred outflows.

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

Note 1: Summary of Significant Accounting Policies (Continued)

H. Fund Equity

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) 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 (such as amounts committed for capital projects); 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 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.

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. An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose.

When fund balance resources are available for a specific purpose in more than one classification, it is the Library’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

I. Compensated Absences

It is the Library’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since it does not vest. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability in the government-wide statements.

J. Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF fiduciary net position have been

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

K. Interfund Transactions

Interfund transfers are reported as operating transfers, the principal purpose of which is to set aside funds for future needs.

L. Estimates

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

Note 2: Deposits and Cash Investments

Deposits. At year-end, the carrying amount of the Library's deposits was \$904,007, excluding petty cash of \$400, and the bank balance was \$941,542. Of the bank balance, \$250,000 was covered by federal depository insurance and \$691,542 was collateralized with securities held by the pledging financial institution's agent in the Library's name.

Cash Investments – The Library's cash investments are in the Illinois Public Reserves Investment Management Trust (IPRIME), which is an investment pool exclusively for Illinois municipalities. IPRIME complies with Illinois law and is comprised of money market instruments having a maximum remaining maturity of one year (except U.S. government obligations that may have remaining maturities of up to two years). The IPRIME Investment Shares Series is rated AAAM by Standard & Poor's. The carrying amount of deposits in IPRIME at December 31 was \$5,006,269.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned. The Library's investment policy protects it from custodial risk by requiring funds on deposit in excess of FDIC limits to be secured by collateral.

Concentration of Credit Risk – The Library'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.

Interest Rate Risk – The Library's investment policy addresses interest rate risk by requiring that investments be diversified and reviewed for concentration in maturity.

Notes to Financial Statements

Note 3: Property Taxes

Property taxes are payable in two installments generally on or around March 1 and August 1; however, the due date for the second billing of the 2021 property tax was delayed until December 30, 2022. Property tax revenue is recorded when received and includes those amounts paid within 60 days after year end. The amount of the 2021 tax levy receivable at year end, and collected within 60 days, was \$1,276,767.

The Village of Orland Park passed its 2022 Tax Levy Ordinance on December 19, 2022, which included the Library levy in the amount of \$6,500,305. This levy is presented as both property tax receivable and deferred property taxes. It attached as an enforceable lien on property as of January 1, 2022. The Library has estimated this levy to be fully collectible.

Note 4: Capital Assets

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

	Balance December 31, 2021	Increases	Decreases	Balance December 31, 2022
Capital assets, not being depreciated				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Artwork	62,702	-	-	62,702
Total capital assets not being depreciated	262,702	-	-	262,702
Capital assets, being depreciated				
Building and Improvements	25,649,161	245,600	-	25,894,761
Furniture & Equipment	630,623	55,187	(12,893)	672,917
Software	232,001	-	-	232,001
Vehicles	67,757	-	-	67,757
Total capital assets being depreciated	26,579,542	300,787	(12,893)	26,867,436
Less accumulated depreciation for				
Building and Improvements	(9,498,920)	(838,423)	-	(10,337,343)
Furniture & Equipment	(351,100)	(75,479)	12,893	(413,686)
Software	(222,440)	(9,561)	-	(232,001)
Vehicles	(36,442)	(13,551)	-	(49,993)
Total accumulated depreciation	(10,108,902)	(937,014)	12,893	(11,033,023)
Total capital assets being depreciated, net	16,470,640	(636,227)	-	15,834,413
Capital assets, net	\$ 16,733,342	\$ (636,227)	\$ -	\$ 16,097,115

Note 5: Long-Term Debt

Long-term liabilities consisted of the following general obligation bonds and pension obligation:

- General Obligation Bonds.** The Village of Orland Park issued general obligation bonds Series 2002A to provide funds for the acquisition, construction, and renovation of the Library facility. On February 17, 2010 the Village of Orland Park refunded the Series 2002A bonds and issued new bonds; and, on September 19, 2019, the Village of Orland Park refunded the Series 2010 bonds and issued new bonds. Listed below are the details of these bonds. The Library levied for principal and interest on these bonds

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

and remitted payment to the Village for the required amounts. The liability for these bonds was not reflected in the Library's financial statements, but rather in the Village statements since they were the debt's obligor.

- b. Net pension (asset) obligation recorded as of December 31, 2022 under GASB 68.
- c. Net OPEB liability recorded as of December 31, 2022 under GASB 75.

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due In One Year
a. \$1,895,000 three-year General Obligation Refunding Bonds, Series 2019 dated September 2019 with remaining interest rates of 1.59%.	\$ 875,000	\$ -	\$ 875,000	\$ -	\$ -
b. Net Pension (Asset) Obligation	641,073	-	1,136,685	(495,612)	-
c. Net OPEB Liability	262,644	-	45,909	216,735	-

Note 6: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description: The Library's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Library's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report may be obtained on-line at www.imrf.org. The Library participates in IMRF through the Village of Orland Park.

Benefits Provided: IMRF has three benefit plans. All three IMRF benefit plans have two tiers. The Library participates in the Regular Plan (RP). Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of services, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Note 6: Defined Benefit Pension Plan (Continued)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Contributions: As set by statute, the Library’s Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library’s annual required contribution rates for calendar years 2022 and 2021, were 15.68% and 14.10%, respectively. For calendar years 2022 and 2021, the Library contributed \$369,441 and \$308,548, respectively, to the plan. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension (Asset) Liabilities: At December 31, 2022, the Library reported an asset of \$495,612 for its proportionate share of the net pension (asset) liability. The net pension (asset) liability was measured as of December 31, 2021, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The Library’s proportion of the net pension (asset) liability was based on a projection of the Library’s long-term share of the contributions to the pension plan relative to the projected contributions of the IMRF plan of the Village of Orland Park actuarially determined. At December 31, 2021, the Library’s proportion was 12.1%, which was the same proportion measured as of December 31, 2020.

Actuarial assumptions: The total pension (asset) liability reported as of December 31, 2022 using the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Projected retirement age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

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

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

For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The *long-term expected rate of return* on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 30, 2021:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	39%	1.90%
International Equities	15	3.15%
Fixed Income	25	(0.60)%
Real Estate	10	3.30%
Alternative Investments	10	1.70-5.50%
Cash Equivalents	<u>1</u>	(0.90)%
Total	<u>100%</u>	

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

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

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Library's proportionate share of Net Pension (Asset) Liability	\$ <u>1,320,739</u>	\$ <u>(495,612)</u>	\$ <u>(1,461,250)</u>

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

For the year ended December 31, 2022, the Library recognized pension expense of \$134,836. At December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 795,607	\$ 1,241
Changes of assumptions	16,005	62,366
Net difference between projected and actual earnings on pension plan investments	259,317	1,978,086
Changes in proportion and differences between Library contributions and proportionate share of contributions	-	-
Library contributions subsequent to the measurement date	<u>369,441</u>	<u>-</u>
Total	<u>\$ 1,440,370</u>	<u>\$ 2,041,693</u>

Deferred outflows of resources related to pensions resulting from Library contributions of \$369,441, made subsequent to the December 31, 2021 measurement date, are recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	\$ 60,330
2023	(373,942)
2024	(388,359)
2025	<u>(268,793)</u>
	<u>\$ (970,764)</u>

Notes to Financial Statements

Note 7: Other Post-Employment Benefits

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the Library provides post-employment health care benefits (OPEB) for retired employees of the Library 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. The plan is not accounted for as a trust fund; as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits for retired employees of the Library are provided through the Library's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions.

All retirees contribute 100% of the paid premium to the plan. For the fiscal year ending December 31, 2022, retirees contributed \$43,941. Active employees do not contribute to the OPEB plan until retirement.

At December 31, 2022, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	2
Active Employees	<u>31</u>
	<u><u>33</u></u>

Contributions

There are no actuarially determined contributions or employer contributions as there is no Trust that exists for funding the OPEB liabilities. There are only contributions from other library resources which relate to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Net OPEB Liability

The Library's net OPEB liability of \$216,735 was measured as of December 31, 2022, and was determined by an actuarial valuation performed as of January 1, 2022.

Actuarial Assumptions and Other Inputs. The net OPEB liability in the January 1, 2022 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- The *Actuarial Valuation Method* used was the Alternative Measurement Method.
- *Salary Increases* are expected to be 2.5%, average, including inflation.

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

- The *Discount Rate* used was 3.72%, based on the High Quality 20-Year Tax-Exempt G.O. Bond Rate.
- The *Health Care Cost Trend Rates* beginning January 1, 2022 at rates ranging from 7.00% to 7.70% reduced annually, in increments ranging from .22% to .30%, to 5.0%.
- *Plan Participation Rate* assumes 30% of employees currently enrolled in medical plans will participate in the plan.
- *Retirement Rates* used were Age 61 for Tier 1 and Age 62 for Tier 2.
- *Retiree Lapse Rates* used was 100% at age 65 once Medicare eligible.
- *Mortality Rates* follows the Sex Distinct Raw Rates as developed in the Pub G-2010(B) Study. These rates are Improved Generationally using MP-2020 Improvement Rates.
- *Spouse Mortality* follows the Sex Distinct Raw Rates as developed in the Pub G-2010(B) Study. These rates are Improved Generationally using MP-2020 Improvement Rates.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>OPEB Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at December 31, 2021	\$ 262,644	\$ -	\$ 262,644
Changes for the Year:			
Service Cost	3,045	-	3,045
Interest	5,081	-	5,081
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(8,204)	-	(8,204)
Changes of Assumptions	(13,885)	-	(13,885)
Contributions - Employer	-	31,946	(31,946)
Contributions - Employee	-	-	-
Benefit Payments	(31,946)	(31,946)	-
Administrative Expense	-	-	-
Net Changes	<u>(45,909)</u>	<u>-</u>	<u>(45,909)</u>
Balance at December 31, 2022	<u>\$ 216,735</u>	<u>\$ -</u>	<u>\$ 216,735</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability, calculated using a Single Discount Rate of 3.72%, as well as what the plan's total OPEB liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	<u>1% Lower (2.72%)</u>	<u>Current (3.72%)</u>	<u>1% Higher (4.72%)</u>
Net OPEB Liability	\$ 227,738	\$ 216,735	\$ 206,465

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the sensitivity of the net OPEB Liability to the Healthcare Cost Trend Rates assumption:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 200,948	\$ 216,735	\$ 235,689

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2022, the Library recognized OPEB expense of \$(45,909). At December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Total Deferred Amounts Related to OPEB	<u>\$ -</u>	<u>\$ -</u>

Note 8: Deferred Compensation Plan

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan assets are held in a trust. As such, plan assets are not subject to the claims of general creditors of the Library.

Note 9: 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; and natural disasters for which the Library carries commercial insurance.

Notes to Financial Statements

Note 10: Adjustments

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

Net Pension Asset	\$ 495,612
Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	16,097,115
Deferred outflows related to pensions.	1,440,370
Deferred inflows related to pensions.	(2,041,693)
Liabilities for compensated absences, which will not mature in the current period, are not included in the governmental fund balances and, therefore, are deducted from net position.	(30,590)
Net OPEB liability	<u>(216,735)</u>
	<u>\$ 15,744,079</u>

Amounts reported on the statement of activities are different from governmental funds statement of revenues, expenditures and changes in fund balances because:

The government funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded net capital asset purchases (\$937,014 less \$300,787).	\$ 636,227
Recognizing the pension expense (revenue) relating to changes in deferred outflows, deferred inflows and net pension obligation.	(234,605)
Recognizing the expense relating to the change in other post-employment benefits.	(45,909)
Other differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:	
Changes in compensated absences	<u>3,248</u>
	<u>\$ 358,961</u>

Note 11: Commitments and Contingencies

The Library adopted an Inter-Governmental Agreement defending against property tax appeals from various Orland Park businesses. Although the outcome of these appeals is not presently determinable, it is the opinion of the management in consultation with legal counsel, that the final settlements will not result in a material adverse effect on the financial position of the Library.

Required Supplementary Information

ORLAND PARK PUBLIC LIBRARY

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE
NET PENSION (ASSET) LIABILITY

ILLINOIS MUNICIPAL RETIREMENT FUND

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Library's proportion of the net (asset) pension liability	12.1%	12.1%	11.3%	10.5%	9.7%	10.3%	9.9%	10.0%
Library's proportionate share of the net (asset) pension liability	\$ (495,612)	\$ 641,073	\$ 1,026,289	\$ 1,562,037	\$ 303,544	\$ 1,244,401	\$ 1,319,449	\$ 801,999
Library's covered-employee payroll	\$2,188,284	\$ 2,128,168	\$ 2,061,735	\$ 1,978,659	\$ 1,737,161	\$ 1,635,343	\$ 1,680,724	\$ 1,587,406
Library's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	(22.6)%	30.1%	49.8%	78.9%	17.5%	76.1%	78.5%	50.5%
Plan fiduciary net position as a percentage of the total pension (asset) liability	103.3%	95.5%	91.6%	84.9%	96.6%	86.4%	84.3%	90.0%

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.

Required Supplementary Information

ORLAND PARK PUBLIC LIBRARY

SCHEDULE OF LIBRARY'S PENSION CONTRIBUTIONS

ILLINOIS MUNICIPAL RETIREMENT FUND

<u>Calendar Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Covered-Valuation Payroll</u>	<u>Contributions as a Percentage of Covered-Valuation Payroll</u>
2014	\$ 207,315	\$ 207,315	\$ -	\$ 1,587,406	13.06%
2015	211,603	211,603	-	1,680,724	12.59%
2016	201,403	201,403	-	1,635,343	12.32%
2017	207,939	207,939	-	1,737,161	11.97%
2018	234,669	234,669	-	1,978,659	11.86%
2019	203,906	203,906	-	2,061,735	9.89%
2020	241,334	241,334	-	2,128,168	11.34%
2021	308,548	308,548	-	2,118,284	14.10%

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 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 2021 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>	22-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.35% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table

Required Supplementary Information

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

Other Information:

Notes:

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation; note two year lag between valuation and rate setting.

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.

Required Supplementary Information

ORLAND PARK PUBLIC LIBRARY

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 3,045	\$ 3,370	\$ 1,538	\$ 8,584	\$ 8,246
Interest	5,081	5,952	4,140	5,947	6,040
Changes on Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(8,204)	-	134,890	-	-
Changes in Assumptions	(13,885)	(12,052)	15,161	10,703	-
Benefit Payments	(31,946)	(30,763)	(21,348)	(17,165)	(15,835)
Net Change in Total OPEB Liability	(45,909)	(33,493)	134,381	8,069	(1,549)
Total OPEB Liability - Beginning	262,644	296,137	161,756	153,687	155,236
Total OPEB Liability - Ending (a)	\$ 216,735	\$ 262,644	\$ 296,137	\$ 161,756	\$ 153,687
OPEB Plan Net Position					
Contributions - Employer	\$ 31,946	\$ 30,763	\$ 21,348	\$ 17,165	\$ 15,835
Contributions - Employee	-	-	-	-	-
Contributions - Other	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments	(31,946)	(30,763)	(21,348)	(17,165)	(15,835)
Administrative Expense	-	-	-	-	-
Employer Net Change in OPEB Plan Net Position	-	-	-	-	-
OPEB Plan Net Position - Beginning	-	-	-	-	-
OPEB Plan Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - Ending (a) - (b)	\$ 216,735	\$ 262,644	\$ 296,137	\$ 161,756	\$ 153,687
OPEB Plan Net Position as a Percentage of Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 2,069,332	\$ 2,188,284	\$ 1,887,869	\$ 1,963,509	\$ 1,811,173
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	10.47%	12.00%	15.69%	8.24%	8.49%

Note to Schedule: 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.

Required Supplementary Information

ORLAND PARK PUBLIC LIBRARY

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

<u>Calendar Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual as a Percentage of Covered Valuation Payroll</u>
2018	N/A	\$ -	N/A	\$ 1,811,173	0.0%
2019	N/A	-	N/A	1,963,509	0.0%
2020	N/A	-	N/A	1,887,869	0.0%
2021	N/A	-	N/A	2,188,284	0.0%
2022	N/A	-	N/A	2,069,332	0.0%

Notes to the Required Supplementary Information

There is no Actuarially Determined Contribution (ADC) or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the Library did make contributions from other Library resources in the current year in the amount of \$31,946 as a pass-thru.

Required Supplementary Information

ORLAND PARK PUBLIC LIBRARY

GENERAL FUND

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

FOR THE YEAR ENDED DECEMBER 31, 2022

	Estimated Receipts and Appropriations		
	Original and Final	Actual	Variance
REVENUES			
Property Taxes	\$ 6,214,690	\$ 6,235,007	\$ 20,317
Replacement Taxes	19,800	51,223	31,423
Grants	82,900	170,873	87,973
Fines and Fees	29,520	53,103	23,583
Gifts	8,500	35,618	27,118
Interest Income	3,100	49,087	45,987
Miscellaneous	6,490	3,689	(2,801)
Total Revenues	<u>6,365,000</u>	<u>6,598,600</u>	<u>233,600</u>
EXPENDITURES			
Staff	3,784,290	3,495,454	288,836
Library Materials	658,100	612,016	46,084
Contractual Services	504,600	294,701	209,899
Physical Facilities	462,600	402,389	60,211
Development	146,700	152,798	(6,098)
Supplies	78,100	44,721	33,379
Contribution to IMRF	393,950	369,441	24,509
Contribution to FICA	242,450	224,501	17,949
Audit	18,000	17,010	990
Insurance	75,500	29,660	45,840
Other Expenses	710	1,056	(346)
Renovation	160,000	5,807	154,193
Total Expenditures	<u>6,525,000</u>	<u>5,649,554</u>	<u>875,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (160,000)</u>	<u>\$ 949,046</u>	<u>\$ 1,109,046</u>

Supplementary Information

ORLAND PARK PUBLIC LIBRARY

GENERAL FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
STAFF			
Salaries	\$ 3,015,300	\$ 2,873,755	\$ 141,545
Salaries - Maintenance	153,890	143,921	9,969
Life/Health Insurance	615,100	477,778	137,322
	<u>3,784,290</u>	<u>3,495,454</u>	<u>288,836</u>
LIBRARY MATERIALS			
Books	315,000	289,708	25,292
Electronic Databases	105,700	104,205	1,495
Periodicals	22,400	33,087	(10,687)
Audio Visual Materials	199,000	180,316	18,684
Audio Visual Equipment	12,000	-	12,000
Library of Things	4,000	4,700	(700)
	<u>658,100</u>	<u>612,016</u>	<u>46,084</u>
CONTRACTUAL SERVICES			
HR and Payroll Systems	55,500	11,993	43,507
Insurance	64,900	57,608	7,292
Landscaping and Grounds keeping	33,700	25,096	8,604
Building Maintenance	275,000	161,790	113,210
Security System	9,500	4,047	5,453
Library/Office Equipment	1,000	-	1,000
Legal Fees	35,000	27,217	7,783
Library Consultant	30,000	6,950	23,050
	<u>504,600</u>	<u>294,701</u>	<u>209,899</u>
PHYSICAL FACILITIES			
Water and Sewer	10,000	9,642	358
Natural Gas	41,500	52,368	(10,868)
Telephone	8,500	8,320	180
Building /Custodial Supplies	50,000	43,936	6,064
Building Repairs	16,500	1,289	15,211
Equipment Repairs and Maintenance	25,000	20,441	4,559
Machine Rental	1,200	667	533
Automation - Equipment	94,000	85,386	8,614
Automation - Line Costs	9,000	6,486	2,514
Automation - Consultant	50,000	32,920	17,080
Automation - Maintenance	126,000	113,769	12,231
Library Furniture and Equipment	16,000	22,564	(6,564)
Outreach Services	9,000	2,057	6,943
Vehicles	5,900	2,544	3,356
	<u>462,600</u>	<u>402,389</u>	<u>60,211</u>

(Continued)

Supplementary Information

GENERAL FUND - STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
DEVELOPMENT			
Board Training and Education	\$ 6,200	\$ 4,037	\$ 2,163
Staff Training and Education	18,000	21,744	(3,744)
Conference Fees	9,000	4,606	4,394
Patron Programs and Events	52,000	59,199	(7,199)
Library Wide Committees	7,500	6,911	589
Association Dues and Fees	6,000	8,285	(2,285)
Public Information	48,000	48,016	(16)
	<u>146,700</u>	<u>152,798</u>	<u>(6,098)</u>
SUPPLIES			
Library Supplies	43,100	18,600	24,500
Office Supplies	5,000	4,890	110
Postage	18,000	9,770	8,230
Printing	12,000	11,461	539
	<u>78,100</u>	<u>44,721</u>	<u>33,379</u>
OTHER EXPENDITURES			
Contingency	-	-	-
Contribution to IMRF	393,950	369,441	24,509
Contribution to FICA	242,450	224,501	17,949
Audit	18,000	17,010	990
Insurance	63,500	23,644	39,856
Unemployment Compensation	12,000	6,016	5,984
Bank Charges	710	1,056	(346)
	<u>730,610</u>	<u>641,668</u>	<u>88,942</u>
RENOVATION	<u>160,000</u>	<u>5,807</u>	<u>154,193</u>
TOTAL EXPENDITURES	<u>\$ 6,525,000</u>	<u>\$ 5,649,554</u>	<u>\$ 875,446</u>