



**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022



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**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
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**WAUKEGAN, ILLINOIS**  
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## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Trustees  
Waukegan Public Library  
City of Waukegan, Illinois

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Waukegan Public Library (the Library), a component unit of the City of Waukegan, Illinois, as of and for the year ended April 30, 2022, 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 the major fund of the Waukegan Public Library, as of April 30, 2022, the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under 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 and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **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*

The Library has not presented a management's discussion and analysis as required supplementary information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund financial 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 financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Sikich LLP*

Naperville, Illinois  
May 5, 2023

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2022

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	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,833,817
Receivables	
Due from other governments	131,748
Property taxes	4,567,712
Other receivable	1,811
Prepaid items	109,098
Net pension asset	1,772,492
Capital assets, not being depreciated	198,682
Capital assets (net of accumulated depreciation)	<u>3,776,279</u>
 Total assets	 <u>14,391,639</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	250,041
Deferred outflows of resources related to OPEB	<u>18,996</u>
 Total deferred outflows of resources	 <u>269,037</u>
 Total assets and deferred outflows of resources	 <u>14,660,676</u>
<b>LIABILITIES</b>	
Accounts payable	50,594
Accrued payroll	108,644
Unearned revenue	131,748
Accrued interest payable	26,954
Noncurrent liabilities	
Due within one year	258,016
Due in more than one year	<u>1,935,772</u>
 Total liabilities	 <u>2,511,728</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenue - property taxes	4,563,786
Deferred inflows of resources related to pension	2,001,233
Deferred inflows of resources related to OPEB	<u>22,024</u>
 Total deferred inflows of resources	 <u>6,587,043</u>
 Total liabilities and deferred inflows of resources	 <u>9,098,771</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,006,975
Unrestricted	<u>3,554,930</u>
 <b>TOTAL NET POSITION</b>	 <u><u>\$ 5,561,905</u></u>

See accompanying notes to financial statements.



**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

	Program Revenues			Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 3,500,701	\$ 18,893	\$ 550,700	\$ (2,931,108)
Interest	87,938	-	-	(87,938)
Total governmental activities	3,588,639	18,893	550,700	(3,019,046)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,588,639</b>	<b>\$ 18,893</b>	<b>\$ 550,700</b>	<b>(3,019,046)</b>
General Revenues				
Property taxes				4,468,414
Interest				1,038
Miscellaneous				30,816
Total				4,500,268
CHANGE IN NET POSITION				1,481,222
NET POSITION, MAY 1				4,080,683
<b>NET POSITION, APRIL 30</b>				<b>\$ 5,561,905</b>

See accompanying notes to financial statements.

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

April 30, 2022

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	<b>General</b>
<b>ASSETS</b>	
Cash and investments	\$ 3,833,817
Receivables	
Due from other governments	131,748
Property taxes	4,567,712
Other receivables	1,811
Prepaid items	<u>109,098</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 8,644,186</u></u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 50,594
Accrued payroll	108,644
Unearned revenue for grants	<u>131,748</u>
Total liabilities	<u>290,986</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	<u>4,563,786</u>
Total deferred inflows of resources	<u>4,563,786</u>
<b>FUND BALANCE</b>	
Nonspendable in form	
Prepaid items	109,098
Assigned	
Capital improvements	500,000
Unassigned	<u>3,180,316</u>
Total fund balance	<u>3,789,414</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b><u><u>\$ 8,644,186</u></u></b>

See accompanying notes to financial statements.

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

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

April 30, 2022

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 3,789,414
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	3,974,961
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	250,041
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds	18,996
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	(2,001,233)
Deferred inflows of resources related to OPEB do not related to current financial resources and are not reported in the governmental funds	(22,024)
The net pension asset is reported only on the statement of net position	1,772,492
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Debt certificates payable	(1,945,000)
Accrued interest payable	(26,954)
Capital leases payable	(22,986)
Compensated absences payable	(115,919)
Total OPEB liability	<u>(109,883)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 5,561,905</u></b>

See accompanying notes to financial statements.

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**

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

For the Year Ended April 30, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes	\$ 4,500,000	\$ 4,468,414
Grants	257,948	550,700
Charges for services	3,000	18,893
Interest	10,000	1,038
Miscellaneous	2,000	30,816
	<hr/>	<hr/>
Total revenues	4,772,948	5,069,861
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Current		
Library services	4,265,348	3,949,607
Capital outlay	213,000	36,036
Debt service		
Principal	205,000	217,839
Interest	89,600	90,671
	<hr/>	<hr/>
Total expenditures	4,772,948	4,294,153
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ -	775,708
	<hr/> <hr/>	<hr/>
FUND BALANCE, MAY 1		3,013,706
		<hr/>
FUND BALANCE, APRIL 30		\$ 3,789,414
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See accompanying notes to financial statements.

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

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

For the Year Ended April 30, 2022

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<b>NET CHANGE IN FUND BALANCE -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 775,708</b>
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	35,940
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governments funds. Neither transaction, however, has any effect on net position	
Principal repayments	217,839
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Compensated absences payable	58,335
Net pension liability (asset)	1,296,584
Total OPEB liability	13,252
Deferred outflows of resources related to pensions	3,411
Deferred outflows of resources related to OPEB	(3,431)
Deferred inflows of resources related to pensions	(673,878)
Deferred inflows of resources related to OPEB	(19,519)
Change in accrued interest payable	2,733
Depreciation	<u>(225,752)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,481,222</u></b>

See accompanying notes to financial statements.

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2022

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Waukegan Public Library, Waukegan, Illinois (the Library) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government 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. Reporting Entity**

The Library operates and maintains the public library within the City of Waukegan (the City). The Library is a legally separate entity whose board is appointed by the Mayor of the City with the approval of the City Council. The Library may not issue bonded debt without the City's approval and its property tax levy is subject to the City Council's acceptance, and, therefore, is considered to be a component unit of the City. This report represents the financial activity of the Library for the year ended April 30, 2022.

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 Waukegan Public Library Foundation, while a component unit in prior years, is no longer significant to the Library and, therefore, has been excluded from its reporting entity.

**B. Fund Accounting**

The Library uses funds to report on its financial position and changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories; governmental, proprietary and fiduciary. The Library reports only governmental funds.

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

Governmental funds are used to account for all or most of a Library'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 fund). The General Fund is used to account for all activities of the Library.

**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 major governmental fund:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 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. All other revenue items 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.



**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

E. Deposits and Investments

State statutes authorize the Library to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments are stated at fair value. Changes in fair value of investments are recorded as investment income. The Library categorizes the 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 does not have any investments reported at fair value at April 30, 2022.

F. Prepaid Items

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

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. Capital Assets

Capital assets, which include buildings and building improvements, equipment and furniture and books and library materials, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$500 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 or service capacity of the asset or materially extend asset lives are not capitalized.

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

Assets	Years
Buildings and building improvements	5-40
Furniture and equipment	5-20

H. Compensated Absences

The Library accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. There is no liability for accumulated sick days as they are not paid out to an employee. Vested or accumulated vacation leave that is owed retirees or terminated employees is reported as expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. All vacation pay is accrued when incurred in the government-wide financial statements.

I. 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. 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 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 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 has been delegated to the Board of Trustees. Any residual fund balance in the General Fund and deficit fund balances in any other fund 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.

**K. Budgets and Budgetary Accounting**

The Library's budget represents departmental expenditures and estimated revenues authorized in the City's budget. The budget is adopted on the modified accrual basis consistent with GAAP. The Library submits to the Mayor and City Council a proposed budget for the Library. The proposed budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain citizen comments. Prior to April 30 of the year preceding the budget year the budget is legally enacted through passage of an ordinance. The level of budgetary control is the fund level. The Library reports the original and final amended budget. All budgetary authority lapses at year end.

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the reporting period. Actual results could differ from those estimates.

M. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Library has delayed the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

**2. DEPOSITS AND INVESTMENTS**

The Library follows the City's investment policy.

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

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

A. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the Library's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the Library. At April 30, 2022, \$204,686 of the Library's funds were not collateralized.

**2. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

In accordance with its investment policy, the Library limits its exposure to interest rate risk by diversifying its investment portfolio to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds. A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions. The Library's investment policy does not specifically limit the maximum maturity length of 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 obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. However, the Library's investment policy does not specifically limit the Library to these types of investments.

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. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library's agent separate from where the investment was purchased.

Concentration of credit risk - the Library's investment policy requires diversification to the best of its ability based on the type of funds invested and the cash flow needs of those funds.

**3. RECEIVABLES - TAXES**

Property taxes for 2021 attach as an enforceable lien on January 1, 2021, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2022, and are payable in two installments, on or about June 1, 2022 and September 1, 2022. The County collects such taxes and remits them periodically. Because the 2021 levy is intended to finance the fiscal year ending April 30, 2023, it has been offset by unavailable/deferred revenue at April 30, 2022.

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**3. RECEIVABLES - TAXES (Continued)**

The 2022 tax levy, which attached as an enforceable lien on property as of January 1, 2022, has not been recorded as a receivable as of April 30, 2022, as the tax has not yet been levied by the Library and will not be levied until December 2022 and, therefore, the levy is not measurable at April 30, 2022.

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2022 was as follows:

	Balances May 1, Restated	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 71,486	\$ -	\$ -	\$ 71,486
Artwork	127,196	-	-	127,196
Total capital assets not being depreciated	198,682	-	-	198,682
Capital assets being depreciated				
Buildings and improvements	8,880,268	1,902	-	8,882,170
Furniture and equipment	2,263,232	34,038	-	2,297,270
Total capital assets being depreciated	11,143,500	35,940	-	11,179,440
Less accumulated depreciation for				
Buildings and improvements	5,103,088	202,332	-	5,305,420
Furniture and equipment	2,074,321	23,420	-	2,097,741
Total accumulated depreciation	7,177,409	225,752	-	7,403,161
Total capital assets being depreciated, net	3,966,091	(189,812)	-	3,776,279
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 4,164,773	\$ (189,812)	\$ -	\$ 3,974,961

Depreciation expense was charged to functions of the primary government as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
Culture and recreation	<u>\$ 225,752</u>

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**5. CHANGES IN LONG-TERM LIABILITIES**

Issue	Balance May 1, Restated	Increases	Decreases	Balance April 30	Current Portion
2010 G.O. Debt Certificates	\$ 2,150,000	\$ -	\$ 205,000	\$ 1,945,000	\$ 210,000
Capital lease	35,825	-	12,839	22,986	13,544
Total OPEB liability	123,135	-	13,252	109,883	5,494
Accrued compensated absences payable	174,254	72,356	130,691	115,919	28,978
<b>TOTAL</b>	<b>\$ 2,483,214</b>	<b>\$ 72,356</b>	<b>\$ 361,782</b>	<b>\$ 2,193,788</b>	<b>\$ 258,016</b>

The compensated absences and total OPEB liability will be paid out of the General Fund.

2010 General Obligation Debt Certificates

The 2010 General Obligation Debt Certificates are a direct obligation and pledge the full faith and credit of the Library. The debt certificates, dated September 30, 2010, were issued to finance construction of a new roof and other improvements of the Library's existing building and are due in annual installments through January 1, 2030. Annual debt service requirements to maturity for Library General Obligation Debt Certificates are as follows:

Fiscal Year Ending April 30,	General Obligation, Series 2010	
	Principal	Interest
2023	\$ 210,000	\$ 80,863
2024	220,000	72,463
2025	230,000	63,663
2026	235,000	54,462
2027	245,000	45,062
2028-2030	805,000	71,085
<b>TOTAL</b>	<b>\$ 1,945,000</b>	<b>\$ 387,598</b>

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. CHANGES IN LONG-TERM LIABILITIES (Continued)**

Capital Lease

In 2018, the Library entered into a capital lease agreement. The gross amounts of assets under capital lease is \$38,307, which are included in capital assets in the governmental activities. The future minimum lease obligations on the capital lease at April 30, 2022 is follows:

Fiscal Year Ending April 30,	Governmental Activities	
	Principal	Interest
2023	\$ 13,544	\$ 903
2024	9,442	191
<b>TOTAL</b>	<b>\$ 22,986</b>	<b>\$ 1,094</b>

**6. RISK MANAGEMENT**

The Library is exposed to various risks of loss related to employee health benefits, workers' compensation claims; theft of, damage to and destruction of assets; and natural disasters. The Library has purchased insurance from private insurance companies for general liability, worker's compensation, health insurance, and other coverage. Premiums have been recorded as expenditures in the appropriate fund. There have been no significant reductions in insurance coverage from coverage in the prior years.

**7. DEFINED BENEFIT PENSION PLAN**

The Library contributes, through the City, 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 City and the Library combined. All disclosures for an agent plan can be found in the City'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.



**7. DEFINED BENEFIT PENSION PLAN (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 City and the Library are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended April 30, 2022 was 10% of covered payroll. For the year ended April 30, 2022, salaries totaling \$1,957,971 were paid that required employer contributions of \$195,731, which was equal to the Library's actual contributions.

*Net Pension Liability*

At April 30, 2022, the Library reported an asset of \$1,772,492 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based in the Library's actual contribution to the plan for the year ended April 30, 2022 relative to the contributions of the City, actuarially determined. At April 30, 2022, the Library's proportion was 11.50% of the total contribution.

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The Library’s net pension asset was measured as of December 31, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest 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.

*Discount 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 IMRF’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2022, the Library recognized pension expense of \$(414,524). At April 30, 2022, 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	\$ 176,021	\$ 2,830
Changes in assumption	-	47,140
Net difference between projected and actual earnings on pension plan investments	-	1,951,263
Contributions made subsequent to the measurement date	74,020	-
<b>TOTAL</b>	<u>\$ 250,041</u>	<u>\$ 2,001,233</u>

\$74,020 reported as deferred outflows of resources related to pensions resulting from library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2023. Other 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 April 30,</u>	
2023	\$ (360,609)
2024	(701,418)
2025	(474,763)
2026	(288,422)
2027	-
Thereafter	-
<b>TOTAL</b>	<u>\$ (1,825,212)</u>

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Library calculated using the discount rate of 7.25% as well as what the Library's net pension liability (asset) 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 (asset)	\$ (150,003)	\$ (1,772,492)	\$ (3,058,039)

**8. OTHER POSTEMPLOYMENT BENEFITS**

A. Plan Description

In addition to providing the pension benefits described, the Library provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by ILCS and by the Library. 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. The activity of the plan is reported in the Library's General Fund and governmental activities.

B. Benefits Provided

The Library provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Library's retirement plan or meet COBRA requirements. All health care benefits are provided through the Library's third party indemnity 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. Eligibility in the Library sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits. The retiree pays a blended premium which creates an implicit subsidy.

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

C. Membership

At April 30, 2021 (most recent data available), membership consisted of:

Inactive members and beneficiaries currently receiving benefits	-
Inactive members entitled to benefits but not yet receiving them	-
Active members	<u>35</u>
<b>TOTAL</b>	<u><u>35</u></u>
Participating employers	<u><u>1</u></u>

D. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of April 30, 2021 using the following actuarial methods and assumptions. The total OPEB liability was rolled forward by the actuary using updating procedures to April 30, 2022, including updating the discount rate at April 30, 2022, as noted in the table below.

Actuarial valuation date	April 30, 2021
Measurement date	April 30, 2022
Actuarial cost method	Entry-age normal
Inflation	2.25%
Discount rate	3.98%
Healthcare cost trend rates	7.50% in fiscal 2022, to an ultimate trend rate of 4.50%
Asset valuation method	N/A
Mortality rates	SOA Pub-2010 Weighted Mortality Table fully

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

generational using  
Scale MP-2020

**8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

E. Discount Rate

The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax-exempt general obligation municipal bonds rated AA or better at April 30, 2022.

F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2021	\$ 123,135
Changes for the period	
Service cost	6,983
Interest	2,954
Changes in assumptions	(15,165)
Differences between expected and actual experience	<u>(8,024)</u>
Net changes	<u>(13,252)</u>
BALANCES AT APRIL 30, 2022	<u>\$ 109,883</u>

There were changes in assumptions related to the discount rate in 2022.

G. Rate Sensitivity

The following is a sensitive 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 3.98% 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 (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Total OPEB liability	\$ 118,592	\$ 109,883	\$ 101,704

**WAUKEGAN PUBLIC LIBRARY**  
**WAUKEGAN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**8. 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 7.50% to 4.50% 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 (6.50% to 3.50%) or 1 percentage point higher (8.50% to 5.50%) than the current rate:

	1% Decrease (6.50% to 3.50%)	Current Healthcare Rate (7.50% to 4.50%)	1% Increase (8.50% to 5.50%)
Total OPEB liability	\$ 97,165	\$ 109,883	\$ 124,873

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

For the year ended April 30, 2022, the Library recognized OPEB expense of \$9,698. At April 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 2,264	\$ 9,025
Changes in assumption	16,732	12,999
<b>TOTAL</b>	<b>\$ 18,996</b>	<b>\$ 22,024</b>

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 April 30,	
2023	\$ (239)
2024	(239)
2025	(239)
2026	(241)
2027	(394)
Thereafter	<u>(1,676)</u>
<b>TOTAL</b>	<b><u>\$ (3,028)</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**



**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Library's proportion of the net pension liability (asset)	11.50%	12.01%	13.46%	14.34%	14.90%	14.91%	14.91%
Library's proportionate share of the net pension liability (asset)	\$ (1,772,492)	\$ (475,908)	\$ 750,933	\$ 2,434,874	\$ 217,624	\$ 1,826,196	\$ 1,845,087
Covered payroll	\$ 1,774,846	\$ 1,913,248	\$ 2,021,479	\$ 2,161,009	\$ 2,190,534	\$ 2,167,485	\$ 2,125,161
Library's proportionate share of the net pension liability (asset) as a percentage of covered payroll	(99.87%)	(24.87%)	37.15%	112.67%	9.93%	84.25%	86.82%
Plan fiduciary net position as a percentage of the total pension liability	112.16%	103.22%	95.32%	85.49%	98.67%	88.70%	88.15%
<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 195,731	\$ 266,171	\$ 260,069	\$ 279,169	\$ 297,051	\$ 313,867	\$ 259,847
Contributions in relation to the contractually required contribution	(195,731)	(266,171)	(260,069)	(279,169)	(297,051)	(313,867)	(260,069)
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (222)</b>
Covered payroll	1,957,971	1,942,854	2,047,787	2,114,917	2,062,854	2,149,774	2,046,039
Contributions as a percentage of covered payroll	10.00%	13.70%	12.70%	13.20%	14.40%	14.60%	12.70%

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.)

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

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

Last Four Fiscal Years

MEASUREMENT DATE APRIL 30,	2022	2021	2020	2019
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 6,983	\$ 6,190	\$ 4,958	\$ 4,608
Interest	2,954	3,121	3,304	3,092
Difference between expected and actual experience	(8,024)	(2,863)	3,623	-
Changes in assumptions	(15,165)	16,005	6,591	1,222
Benefit payments	-	-	-	-
Net change in total OPEB liability	(13,252)	22,453	18,476	8,922
Total OPEB liability - beginning	123,135	100,682	82,206	73,284
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 109,883</b>	<b>\$ 123,135</b>	<b>\$ 100,682</b>	<b>\$ 82,206</b>
Covered employee payroll	\$ 2,048,496	\$ 1,777,921	\$ 2,140,554	\$ 1,710,684
Employer's total OPEB liability as a percentage of covered employee payroll	5.36%	6.93%	4.70%	4.81%

Changes in assumptions related to the discount rate were made in 2022.

Changes in assumptions related to the discount rate, inflation rate, healthcare cost trend rates and mortality rates were made in 2021.

Changes in assumptions related to the discount rate were made in 2020.

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

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.)

**INDIVIDUAL FUND FINANCIAL SCHEDULES**

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

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

For the Year Ended April 30, 2022

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>TAXES</b>		
Property taxes	\$ 4,500,000	\$ 4,468,414
<b>GRANTS</b>		
Grants	257,948	550,700
<b>CHARGES FOR SERVICES</b>		
Licenses, permits and fees	3,000	18,893
Total charges for services	3,000	18,893
<b>INTEREST</b>		
Interest income	10,000	1,038
<b>MISCELLANEOUS</b>		
Sponsorships	-	18,588
Donations	-	6,907
Other	2,000	5,321
Total miscellaneous	2,000	30,816
<b>TOTAL REVENUES</b>	<b>\$ 4,772,948</b>	<b>\$ 5,069,861</b>

(See independent auditor's report.)

**WAUKEGAN PUBLIC LIBRARY  
WAUKEGAN, ILLINOIS**

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

For the Year Ended April 30, 2022

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>LIBRARY SERVICES</b>		
Salaries and benefits	\$ 3,132,558	\$ 2,727,588
Administrative services	138,640	186,939
Public services	414,750	396,636
Community services	43,300	38,002
Building services	119,500	121,225
Information technology services	224,500	235,761
Grants	146,600	204,787
Contractual services	41,000	36,600
Other charges	4,500	2,069
	<hr/>	<hr/>
Total library services	4,265,348	3,949,607
<b>CAPITAL OUTLAY</b>		
Capital outlay	213,000	36,036
	<hr/>	<hr/>
Total capital outlay	213,000	36,036
<b>DEBT SERVICE</b>		
Principal	205,000	217,839
Interest and fiscal charges	89,600	90,671
	<hr/>	<hr/>
Total debt service	294,600	308,510
<b>TOTAL EXPENDITURES</b>		
	<hr/> <hr/>	<hr/> <hr/>
	\$ 4,772,948	\$ 4,294,153

(See independent auditor's report.)