

**FONDULAC PUBLIC LIBRARY DISTRICT**

**BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](http://CLAcconnect.com)

**FONDULAC PUBLIC LIBRARY DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2024**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</b>	<b>4</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>9</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	<b>10</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>11</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>13</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>ILLINOIS MUNICIPAL RETIREMENT FUND – SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)</b>	<b>26</b>
<b>ILLINOIS MUNICIPAL RETIREMENT FUND – SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)</b>	<b>27</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>28</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>FUND BALANCE CLASSIFICATION</b>	<b>29</b>
<b>COMBINING BALANCE SHEET – ALL FUND TYPES</b>	<b>30</b>
<b>RECONCILIATION OF THE COMBINING BALANCE SHEET TO THE STATEMENT OF NET POSITION</b>	<b>31</b>
<b>COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ALL FUND TYPES</b>	<b>32</b>
<b>RECONCILIATION OF THE COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	<b>33</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (CASH BASIS) AND ACTUAL – GENERAL FUND</b>	<b>34</b>
<b>OTHER INFORMATION</b>	
<b>TAX INFORMATION</b>	<b>36</b>



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Fondulac Public Library District  
East Peoria, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Fondulac Public Library District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***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 the District'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.

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, the schedule of changes in the net pension liability (asset) and related ratios on page 26, and the schedule of employer contributions on page 27 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 GAAS, 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

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



**CliftonLarsonAllen LLP**

Peoria, Illinois  
October 11, 2024

**FONDULAC PUBLIC LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2024**

This discussion and analysis of Fondulac Public Library District (the District or the Library) offers readers the following narrative overview and analysis of our financial activities for the year ended June 30, 2024. This narrative, the Management Discussion and Analysis (MD&A), should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

This annual financial report consists of the following information presented in this order: table of contents, independent auditors' report, MD&A, and financial statements. The MD&A summary should not be taken as a replacement for the audit report.

**Financial Highlights**

- The Library's total net position is \$7,448,181.
- The Library saw an increase in net position of \$393,778.

**Using This Annual Report**

This annual report consists of a series of financial statements. The statement of net position (page 9) and the statement of revenues, expenses, and changes in net position (page 10) provide information about the activities of the Library as a whole and present a long-term view of the District's finances. The statement of cash flows (pages 11 and 12) reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period. This report also contains supplementary information in addition to the basic financial statements. In the government-wide financial statements, all of the Library's activities are shown as business-type activities. The District's basic services are public library services. Current operations of these activities are largely financed with property and replacement taxes.

**Reporting on the Library as a Whole**

These basic financial statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, one needs also to consider other nonfinancial factors such as the condition of the District's building and changes in the Library's property tax base.

The statement of revenues, expenses, and changes in net position presents information that shows how the District's net position changed during the most recent fiscal year.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

**FONDULAC PUBLIC LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2024**

**Reporting on the Library as a Whole (Continued)**

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the combined and individual fund statements and schedules and statistical information.

The Library's basic functions are reported in the basic financial statements. Major source of revenues for the District's governmental funds includes property taxes, state/federal grants, and replacement taxes.

**Overall Financial Position and Results of Operation**

The District has presented the financial information in accordance with Governmental Accounting Standards Board Statement No. 34. Comparisons between this fiscal year have been made with the previous year.

Capital outlays are reported in governmental funds as expenditures. However, in the statement of revenues, expenses, and changes in net position, the cost of those assets is allocated over their useful lives as depreciation expense. The statement revenues, expenses, and changes in net position recognizes property taxes on an accrual basis or in the year for which they are budgeted.

**Government-Wide Financial Analysis**

Net position may serve as a useful indicator of a government's financial position. In the case of the District, the Library had \$1,620,000 of long-term debt (including \$355,000 current portion) for the issuance of General Obligation Building Bonds at the close of the fiscal year.

Approximately 58% of the District's net position reflects its net investment in capital assets, such as the building. The District uses these assets to provide services to citizens. As a result, these assets are not available for future spending.

**The Library as a Whole**

Condensed financial information from the statement of net position and statement of revenues, expenses, and changes in net position as of and for the years ended June 30 is as follows:

<b><u>Statement of Net Position</u></b>	<u>2024</u>	<u>2023</u>
Current Assets	\$ 5,499,761	\$ 5,576,507
Noncurrent Assets	5,971,629	6,144,050
Total Assets	<u>11,471,390</u>	<u>11,720,557</u>
 Deferred Outflows of Resources	 <u>382,818</u>	 <u>617,587</u>
 Current Liabilities	 432,663	 413,273
Long-Term Liabilities	1,665,222	2,636,319
Total Liabilities	<u>2,097,885</u>	<u>3,049,592</u>
 Deferred Inflows of Resources	 <u>2,308,142</u>	 <u>2,234,149</u>

**FONDULAC PUBLIC LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2024**

	2024	2023
Net Position:		
Net Investment in Capital Assets	\$ 4,349,281	\$ 3,882,937
Restricted	31,810	31,810
Unrestricted	3,067,090	3,139,656
Total Net Position	\$ 7,448,181	\$ 7,054,403
 <b><u>Statement of Revenues, Expenses, and Changes in Net Position</u></b>		
Operating Revenues:		
Fees, Fines, and Charges for Services	\$ 23,612	\$ 26,145
Operating Grants and Contributions	34,299	15,229
Total Operating Revenues	57,911	41,374
 Operating Expenses:		
General and Administrative	1,423,789	1,513,548
Library Expenses	146,243	233,620
Building Upkeep	263,089	236,811
Depreciation	314,652	311,095
Total Operating Expenses	2,147,773	2,295,074
 Nonoperating Revenues (Expenses):		
Property Taxes	2,224,248	2,131,883
Other	339,068	442,482
Interest Expense	(79,676)	(92,300)
Total Nonoperating Revenues (Expenses)	2,483,640	2,482,065
 Change in Net Position	393,778	228,365
 Net Position - Beginning of Year	7,054,403	6,826,038
 Net Position - End of Year	\$ 7,448,181	\$ 7,054,403

Operating expenses decreased from 2023 by \$147,301 or approximately 6.4%. The decrease is primarily due to a decrease in general and administrative expenses and library expenses.

Operating revenues and nonoperating revenues (expenses) were consistent with 2023 activity.



**FONDULAC PUBLIC LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2024**

**Capital Assets**

At the end of the fiscal year 2024, the District had invested in a variety of capital assets, as reflected in the following schedule:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Not Depreciated:				
Land	\$ 540,000	\$ -	\$ -	\$ 540,000
Depreciated:				
Buildings and Improvements	6,861,432	-	-	6,861,432
Furniture and Equipment	1,201,427	26,711	-	1,228,138
Library Materials	816,177	115,520	-	931,697
Total Depreciated	<u>8,879,036</u>	<u>142,231</u>	<u>-</u>	<u>9,021,267</u>
Total Cost	<u>\$ 9,419,036</u>	<u>\$ 142,231</u>	<u>\$ -</u>	<u>\$ 9,561,267</u>

Accumulated depreciation for the year ended June 30, 2024 was as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Buildings and Improvements	\$ 1,665,821	\$ 176,584	\$ -	\$ 1,842,405
Furniture and Equipment	1,143,383	23,956	-	1,167,339
Library Materials	465,782	114,112	-	579,894
Total Accumulated Depreciation	<u>\$ 3,274,986</u>	<u>\$ 314,652</u>	<u>\$ -</u>	<u>\$ 3,589,638</u>

**Long-Term Debt**

The District owed total bonded debt of \$1,620,000 at June 30, 2024, which consisted of General Obligation Building Bonds, Series 2012. Additional information on the District's long-term debt can be found in Note 4 on page 19 of this report.

**Factors or Conditions Impacting Future Periods**

The Library continues progress on many previous financial strategies. The Board of Trustees continues to participate in risk-adverse investment opportunities to grow its reserve and benefit from higher interest rates. In the fall of 2023, the Board initiated and approved a renewed Market Benchmarking and Compensation Structure Development Project with an outside consultant, continuing its commitment to ensure staff pay is appropriate for the positions held, competitive for the market, and sustainable for the Library's budget and future.

**FONDULAC PUBLIC LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2024**

**Factors or Conditions Impacting Future Periods (Continued)**

While Personal Property Replacement Taxes (also known as Corporate Replacement Taxes) had been increasing over the past years, income from them remains unpredictable. For FY2025, the State of Illinois has decreased projected income of PPRT distributions, and the Library does not expect to have the previous opportunities to reduce unfunded pension liability or increase its special reserve fund for future capital costs solely from additional PPRT income.

The Library made an additional payment towards its outstanding construction bonds in June 2024, further increasing savings and reducing future taxation. To date, with the full or partial payment of the five bonds ahead of the original payment schedule, the Library has saved more than \$1,000,000 in interest (more than 11% of total monies originally due) and reduced the length of taxation by five years. The Library now expects to pay off the bonds in FY2028 (May 2028), which is Tax Year 2026, and to not have to levy on Tax Year 2027. The original bond payment plan was scheduled to be final in FY2033 (October 2032), with the final tax year levied against as Tax Year 2031.

As always, the Board of Trustees remains committed to approaching Library finances in a responsible manner and weighs both current and future needs in approaching financial decisions.

**Contacting the Library's Financial Management**

This financial report is designed to provide a general view of Fondulac Public Library District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Fondulac Public Library District  
Attn: Director  
400 Richland Street  
East Peoria, IL 61611  
309-699-3917  
[www.fondulaclibrary.org](http://www.fondulaclibrary.org)

**FONDULAC PUBLIC LIBRARY DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**CURRENT ASSETS**

Cash, Cash Equivalents, and Investments	\$ 3,128,072
Property Taxes Receivable	2,304,575
Replacement Taxes Receivable	39,838
Gifts Receivable	2,500
Prepaid Expenses	24,776
Total Current Assets	5,499,761

**NONCURRENT ASSETS**

Capital Assets Not Being Depreciated	540,000
Capital Assets Being Depreciated	9,021,267
Less: Accumulated Depreciation	(3,589,638)
Total Noncurrent Assets	5,971,629

Total Assets 11,471,390

**DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS**

Total Assets and Deferred Outflows of Resources \$ 11,854,208

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 11,728
Accrued and Withheld Payroll Taxes	1,099
Unearned Revenue	45,718
Accrued Interest Payable	19,118
Long-Term Debt, Current Portion	355,000
Total Current Liabilities	432,663

**LONG-TERM LIABILITIES**

Long-Term Debt	1,265,000
Compensated Absences	44,682
Net Pension Liability	355,540
Total Long-Term Liabilities	1,665,222

Total Liabilities 2,097,885

**DEFERRED INFLOWS OF RESOURCES**

Subsequent Year's Property Taxes	2,304,575
Deferred Inflows of Resources Related to Pensions	3,567
Total Deferred Inflows of Resources	2,308,142

**NET POSITION**

Net Investment in Capital Assets	4,349,281
Restricted for:	
Bahnfleth Memorial	31,810
Unrestricted	3,067,090
Total Net Position	7,448,181

Total Liabilities, Deferred Inflows of Resources, and Net Position \$ 11,854,208

See accompanying Notes to Basic Financial Statements.

**FONDULAC PUBLIC LIBRARY DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2024**

**OPERATING REVENUES**

Fees, Fines, and Charges for Services	\$ 23,612
Operating Grants and Contributions	34,299
Total Operating Revenues	57,911

**OPERATING EXPENSES**

General and Administrative	1,423,789
Library Expenses	146,243
Building Upkeep	263,089
Depreciation	314,652
Total Operating Expenses	2,147,773

**OPERATING LOSS**

(2,089,862)

**NONOPERATING INCOME (EXPENSES)**

Property Taxes	1,726,568
Property Taxes - Bonds and Interest	497,680
Replacement Taxes	235,217
Interest Earnings	91,772
Gifts and Other	12,079
Interest Expense	(79,676)
Total Nonoperating Income (Expenses)	2,483,640

**INCREASE IN NET POSITION**

393,778

Net Position - Beginning of Year

7,054,403

**NET POSITION - END OF YEAR**

\$ 7,448,181

*See accompanying Notes to Basic Financial Statements.*

**FONDULAC PUBLIC LIBRARY DISTRICT  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers	\$ 23,612
Receipts from Operating Grants and Contributions	62,017
Payments to Suppliers	(958,271)
Payments to Employees	(982,538)
Net Cash Used by Operating Activities	(1,855,180)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Property Taxes	2,224,248
Other Nonoperating Revenue	272,704
Net Cash Provided by Noncapital Financing Activities	2,496,952

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchase of Capital Assets	(140,996)
Principal Paid on Bonds	(640,000)
Interest Paid on Bonds	(82,880)
Net Cash Used by Capital and Related Financing Activities	(863,876)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Deposits and Investments	1,829
	1,829

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(220,275)

Cash and Cash Equivalents - Beginning of Year

1,024,078

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 803,803

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE  
STATEMENT OF NET POSITION**

Cash and Cash Equivalents	\$ 803,803
Certificates of Deposit - Nonnegotiable	2,324,269
Total Cash, Cash Equivalents, and Investments	\$ 3,128,072

**FONDULAC PUBLIC LIBRARY DISTRICT  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (2,089,862)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	314,652
Effects of Changes in Operating Assets, Liabilities, and related Deferrals:	
Prepaid Expenses	10,260
Deferred Outflows of Resources Related to Pensions	234,769
Accounts Payable and Accrued Liabilities	(18,890)
Accrued and Withheld Payroll Taxes	(2,469)
Unearned Revenue	27,718
Compensated Absences	587
Net Pension Liability	(316,684)
Deferred Inflows of Resources Related to Pensions	(15,261)
Net Cash Used by Operating Activities	<u><u>\$ (1,855,180)</u></u>

**SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL ACTIVITIES**

As of June 30, 2024, \$2,348 of Capital Assets Acquired Were Included in Accounts Payable.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The purpose of Fondulac Public Library District (the District) is to serve the informational, cultural, educational, and recreational needs of all residents within the District boundaries, regardless of age or educational background. Revenues are substantially generated as a result of taxes assessed and allocated to the District (an example would be property taxes). The District revenues are, therefore, primarily dependent on the economy within Tazewell County. The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

**Reporting Entity**

For financial reporting purposes, in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100, the District is a primary government in that it is a library district with a separately elected governing body—one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

The District has developed criteria to determine whether other entities are component units of the District. Component units are legally separate organizations for which the elected officials of the District are financially accountable. The District would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on the District, the District is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

There are no component units of the District nor is the District dependent on any other entity.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. In the statement of net position and the statement of revenues, expenses, and changes in net position, the business-type activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant intra-agency transactions have been eliminated.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, and deferred inflows of resources 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.

**Annual Appropriations**

The District adopts an annual appropriation ordinance on the cash basis of accounting in accordance with the Illinois Compiled Statutes. The appropriation ordinance is prepared on the cash basis. The appropriation covers the fiscal year ended June 30. The appropriations lapse at the end of each fiscal year.

**Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1 in the year in which the taxes are levied. The levy must be filed with the County Clerk by the last Tuesday in December each year. Due dates, by statute, are June 1 and September 1 of the following year. Generally, the District receives a significant amount of its real estate taxes from the County Clerk within 45 days following the due dates. Occasionally, tax bills are mailed late and due dates for payments are extended accordingly.

Property taxes are accrued as a receivable in the period in which the District has an enforceable lien on property and recognized as revenue in the year for which it is budgeted. Property tax revenue recorded by the District for the year ended June 30, 2024 represents installments of the 2022 property taxes which were received during the fiscal year.

The amount of the property tax receivable included in deferred inflows of resources at year-end represents the tax levied in the latter part of 2023, for which an enforceable lien exists at year-end, but is levied for the fiscal year 2025 budget.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.



**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Investments**

The investment and deposit of District monies is governed by the provisions of the Illinois Compiled Statutes. In accordance with these provisions, all District monies must be invested in one or more of the following:

- A. Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the statutes and as shall have complied with the requirements thereof;
- B. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Deposit Insurance Corporation;
- C. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest; and
- D. Short-term discount obligations of the Federal National Mortgage Association.

**Capital Assets**

Capital assets include property, plant, and equipment. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and all library materials purchased, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Building and Improvements	5 to 40 Years
Furniture and Equipment	5 to 10 Years
Library Materials	5 Years

**Grants**

The District recognizes revenue from grants as soon as all eligibility requirements imposed by the provider have been met.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

The District provides paid vacation time for regular full-time and regular part-time employees, which accrue on a monthly basis. Vacation time begins accruing in the first month in which an employee begins working and accrues in any month in which an employee performs any work and remains employed through the last day of the month. Based on the years of service, the allowed maximum vacation time will increase. However, vacation time cannot be accrued more than the maximum amount allowed.

**Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2024, there were no unspent bond proceeds. Net positions are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Deferred Outflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

The District has one type of deferred outflows of resources which is related to the District's net pension liability (asset). Part of this balance is due to the District recognizing its net pension liability (asset) as of December 31, 2023, the end of the plan's fiscal year. The District made contributions to the pension plan during the period January 1, 2024 through June 30, 2024.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent 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.

The District has two types of deferred inflows of resources. One type is related to revenue recognition, because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. A second type is related to the District's net pension liability (asset), because the actuary noted a difference between the expected and actual experience of the pension activity.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows and 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's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Classification of Revenues and Expenses**

The District has classified its revenues as either operating or nonoperating revenues accordingly. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2 DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2024, none of the District's bank balance of \$3,208,611 was exposed to custodial credit risk. This bank balance is made up as follows:

	Carrying Amount	Bank Balance
Savings Accounts, Money Market Deposits, and Certificates of Deposits	\$ 3,076,311	\$ 3,208,611
Petty Cash	21	N/A
Total	\$ 3,076,332	\$ 3,208,611

**Illinois Funds**

At June 30, 2024, the District had amounts in the Illinois Funds as follows:

Investment	Maturities	Fair Value*
Illinois Funds	60-Month Average	\$ 51,740

\* Equivalent to deposit balance

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold. It acts as a money market fund that maintains a \$1 per share value. There are no limitations or restrictions on participant withdrawals.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

State law limits investments as described in the *Summary of Significant Accounting Policies*. The District has no investment policy that would further limit its investment choices. As of June 30, 2024, the District's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer. The District deposits are in local banks or in Illinois Funds.

**NOTE 3 CAPITAL ASSETS**

Changes in the various capital asset categories during the year ended June 30, 2024 were as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Not Depreciated:				
Land	\$ 540,000	\$ -	\$ -	\$ 540,000
Depreciated:				
Buildings and Improvements	6,861,432	-	-	6,861,432
Furniture and Equipment	1,201,427	26,711	-	1,228,138
Library Materials	816,177	115,520	-	931,697
Total Depreciated	<u>8,879,036</u>	<u>142,231</u>	<u>-</u>	<u>9,021,267</u>
Total Cost	<u>\$ 9,419,036</u>	<u>\$ 142,231</u>	<u>\$ -</u>	<u>\$ 9,561,267</u>

Accumulated depreciation for the year ended June 30, 2024 was as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Buildings and Improvements	\$ 1,665,821	\$ 176,584	\$ -	\$ 1,842,405
Furniture and Equipment	1,143,383	23,956	-	1,167,339
Library Materials	465,782	114,112	-	579,894
Total Accumulated Depreciation	<u>\$ 3,274,986</u>	<u>\$ 314,652</u>	<u>\$ -</u>	<u>\$ 3,589,638</u>

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 LONG-TERM BONDED DEBT**

The following is a summary of changes in long-term bonded debt of the District for the year ended June 30, 2024:

	General Obligation Building Bonds Series 2012
Balance - July 1, 2023	\$ 2,260,000
Bonds Paid	640,000
Bonds Issued	-
Balance - June 30, 2024	1,620,000
Less: Current Portion	355,000
Long-Term Debt, Net of Current Portion	\$ 1,265,000

The General Obligation Building Bonds, Series 2012, are dated October 8, 2012, with principal due annually on October 1, commencing on October 1, 2013. Interest is due semiannually on April 1 and October 1, commencing on October 1, 2013, with a variable interest rate on the remaining outstanding bonds ranging from 3.10% to 4.10%. Original issue was \$7,000,000. Final payment is due on October 1, 2028.

The long-term bonded debt originates from direct placement, which means that it was issued to a single purchaser. There were no assets pledged as collateral. There are also no finance-related consequences in the unlikely event that the District is unable to pay the remaining principal.

Annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 355,000	\$ 69,637	\$ 424,637
2026	370,000	55,551	425,551
2027	380,000	40,737	420,737
2028	400,000	25,095	425,095
2029	115,000	8,508	123,508
Total	\$ 1,620,000	\$ 199,528	\$ 1,819,528

**Legal Debt Margin**

The legal debt margin of the District at June 30, 2024 is as follows:

Assessed Valuation 2023	\$ 542,790,987
Statutory Debt Limitation (2.875% of Assessed Valuation)	\$ 15,605,241
Less: Total Debt	1,620,000
Legal Debt Margin	\$ 13,985,241

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 RESTRICTED NET POSITION**

Restricted for Bahnfleth Memorial – In accordance with donor request, this funding is restricted for the Bahnfleth Memorial.

**NOTE 6 DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The District's defined benefit pension plan, a multi-employer agent plan, for employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section. Details of all benefits are 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 and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) Plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) Plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). The District only participates in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 $\frac{2}{3}$ % 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 service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 $\frac{2}{3}$ % 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
- one-half of the increase in the Consumer Price Index of the original pension amount.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Employees Covered by Benefit Terms**

As of December 31, 2023, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	12
Active Plan Members	17
Total	47

**Contributions**

As set by statute, the District’s Regular Plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate for calendar years 2024 and 2023 was 8.80% and 11.86%, respectively. For the fiscal year ended 2024, the District contributed \$237,401 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s board of trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability (Asset)**

The District’s net pension liability (asset) was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The actuarial cost method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The inflation rate was assumed to be 2.25%.
- Salary increases were expected to be 2.85% to 13.75%, including inflation.
- The investment rate of return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For Nondisabled Retirees, the Pub-2010, amount-weighted, below-median income, general, retiree, male (adjusted 108%) and female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

- For Disabled Retirees, the Pub-2010, amount-weighted, below-median income, general, disabled retiree, male (unadjusted) and female (unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For Active Members, the Pub-2010, amount-weighted, below-median income, general, employee, male (unadjusted) and female (unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- 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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	34.5 %	5.00 %
International Equity	18.0	6.35
Fixed Income	24.5	4.75
Real Estate	10.5	6.30
Alternative Investments	11.5	6.05-8.65
Cash Equivalents	1.0	3.80
Total	100.0 %	

**Single Discount Rate**

A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and the 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 the contributions for use with the long-term expected rate of return are not met).



**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Single Discount Rate (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 3.77%, and the resulting single discount rate is 7.25%.

**Changes in the Net Pension Liability (Asset)**

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balance - December 31, 2022	\$ 4,851,135	\$ 4,178,911	\$ 672,224
Changes for the Year:			
Service Cost	73,630	-	73,630
Interest on the Total Pension Liability	344,801	-	344,801
Differences Between Expected and Actual Experience of the Total Pension Liability	129,441	-	129,441
Changes of Assumptions	6,686	-	6,686
Contributions - Employer	-	245,932	(245,932)
Contributions - Employees	-	36,400	(36,400)
Investment Income	-	599,235	(599,235)
Benefit Payments, Including Refunds of Employee Contributions	(265,525)	(265,525)	-
Administrative Expenses	-	(3,149)	3,149
Other Changes	682	(6,494)	7,176
Net Changes	<u>289,715</u>	<u>606,399</u>	<u>(316,684)</u>
Balance - December 31, 2023	<u>\$ 5,140,850</u>	<u>\$ 4,785,310</u>	<u>\$ 355,540</u>

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the plan's net pension liability (asset), calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	<u>\$ 1,031,790</u>	<u>\$ 355,540</u>	<u>\$ (188,753)</u>

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

For the year ended June 30, 2024, the District recognized pension expense of \$140,225. At June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ 211,158	\$ -
Changes of Assumptions	5,078	3,567
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	127,587	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	343,823	3,567
Pension Contributions Made Subsequent to the Measurement Date	38,995	-
Total Deferred Amounts Related to Pensions	\$ 382,818	\$ 3,567

\$38,995 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2025	\$ 115,071
2026	110,520
2027	167,456
2028	(52,791)
Total	\$ 340,256

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**FONDULAC PUBLIC LIBRARY DISTRICT  
ILLINOIS MUNICIPAL RETIREMENT FUND – SCHEDULE OF CHANGES IN THE  
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)  
LAST NINE CALENDAR YEARS**

<u>Calendar Year Ending December 31,</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:									
Service Cost	\$ 73,630	\$ 69,258	\$ 62,419	\$ 70,757	\$ 69,183	\$ 64,593	\$ 67,247	\$ 68,766	\$ 70,545
Interest on Total Pension Liability	344,801	328,614	299,575	284,055	271,137	257,000	243,088	227,284	212,614
Difference Between Expected and Actual Experience	129,441	70,305	262,247	84,669	(37,721)	(13,770)	102,004	20,739	(23,931)
Assumption Changes	6,686	-	-	(41,967)	-	122,189	(100,997)	(13,892)	8,614
Benefit Payments and Refunds	(265,525)	(229,096)	(225,808)	(133,022)	(117,407)	(120,881)	(128,160)	(79,026)	(46,901)
Other Changes	682	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>289,715</u>	<u>239,081</u>	<u>398,433</u>	<u>264,492</u>	<u>185,192</u>	<u>309,131</u>	<u>183,182</u>	<u>223,871</u>	<u>220,941</u>
Total Pension Liability - Beginning	<u>4,851,135</u>	<u>4,612,054</u>	<u>4,213,621</u>	<u>3,949,129</u>	<u>3,763,937</u>	<u>3,454,806</u>	<u>3,271,624</u>	<u>3,047,753</u>	<u>2,826,812</u>
Total Pension Liability - Ending (A)	<u>5,140,850</u>	<u>4,851,135</u>	<u>4,612,054</u>	<u>4,213,621</u>	<u>3,949,129</u>	<u>3,763,937</u>	<u>3,454,806</u>	<u>3,271,624</u>	<u>3,047,753</u>
Plan Fiduciary Net Position:									
Employer Contributions	245,932	367,453	95,065	88,835	78,754	82,681	78,692	71,740	67,141
Employee Contributions	36,400	59,594	53,029	43,946	39,751	38,045	33,317	27,803	35,152
Investment Income	599,235	(623,514)	694,787	538,361	509,573	(111,067)	441,654	172,480	(58,092)
Benefit Payments and Refunds	(265,525)	(229,096)	(225,808)	(133,022)	(117,407)	(120,881)	(128,160)	(79,026)	(46,901)
Administrative Expenses	(3,149)	(2,913)	(2,329)	(2,527)	(2,584)	(2,045)	(2,380)	(2,646)	8,308
Other	(6,494)	(89,309)	2	-	1	(83)	1	1	(134)
Net Change in Plan Fiduciary Net Position	<u>606,399</u>	<u>(517,785)</u>	<u>614,746</u>	<u>535,593</u>	<u>508,088</u>	<u>(113,350)</u>	<u>423,124</u>	<u>190,352</u>	<u>5,474</u>
Plan Fiduciary Net Position - Beginning	<u>4,178,911</u>	<u>4,696,696</u>	<u>4,081,950</u>	<u>3,546,357</u>	<u>3,038,269</u>	<u>3,151,619</u>	<u>2,728,495</u>	<u>2,538,143</u>	<u>2,532,669</u>
Plan Fiduciary Net Position - Ending (B)	<u>4,785,310</u>	<u>4,178,911</u>	<u>4,696,696</u>	<u>4,081,950</u>	<u>3,546,357</u>	<u>3,038,269</u>	<u>3,151,619</u>	<u>2,728,495</u>	<u>2,538,143</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ 355,540</u>	<u>\$ 672,224</u>	<u>\$ (84,642)</u>	<u>\$ 131,671</u>	<u>\$ 402,772</u>	<u>\$ 725,668</u>	<u>\$ 303,187</u>	<u>\$ 543,129</u>	<u>\$ 509,610</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.08%	86.14%	101.84%	96.88%	89.80%	80.72%	91.22%	83.40%	83.28%
Covered Payroll	\$ 808,871	\$ 765,978	\$ 732,958	\$ 689,714	\$ 677,163	\$ 651,031	\$ 639,253	\$ 601,847	\$ 602,703
Net Pension Liability (Asset) as a Percentage of Covered Payroll	43.96%	87.76%	-11.55%	19.09%	59.48%	111.46%	47.43%	90.24%	84.55%

Additional years will be added to this schedule annually until 10 years of data is presented.

See accompanying Notes to Required Supplementary Information.

**FONDULAC PUBLIC LIBRARY DISTRICT  
ILLINOIS MUNICIPAL RETIREMENT FUND –  
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)  
LAST NINE FISCAL YEARS**

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2016	\$ 67,141	\$ 69,751	\$ (2,610)	\$ 602,703	11.57 %
2017	71,740	79,615	(7,875)	601,847	13.23
2018	78,692	85,739	(7,047)	639,253	13.41
2019	82,681	80,799	1,882	651,031	12.41
2020	78,754	98,796	(20,042)	677,163	14.59
2021	88,835	95,254	(6,419)	735,564	12.95
2022	95,065	367,227	(272,162)	737,173	49.82
2023	92,454	93,648	(1,194)	782,857	11.96
2024	95,932	237,401	(141,469)	816,734	29.07

Additional years will be added to this schedule annually until 10 years of data is presented.

See notes to this schedule on the next page.

**FONDULAC PUBLIC LIBRARY DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 CONTRIBUTION RATE\***

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2023 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>	20-Year Closed Period
<i>Asset Valuation Method:</i>	5-Year Smoothed Market; 20% Corridor
<i>Wage Growth:</i>	2.75%
<i>Price Inflation:</i>	2.25%
<i>Salary Increases:</i>	2.75% to 13.75%, Including Inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
<i>Mortality:</i>	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.

**Other Information:**

Notes: There were no benefit changes during the year.

\* Based on valuation assumptions used in the December 31, 2021 actuarial valuation.

**FONDULAC PUBLIC LIBRARY DISTRICT  
FUND BALANCE CLASSIFICATION  
JUNE 30, 2024**

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid expenses as nonspendable fund balance.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the funding from the Bahnfleth Memorial as being restricted because its use is restricted by the donor.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's board. These amounts cannot be used for any other purpose unless the District's board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. The District has classified the reserve fund and working cash fund as being committed because their use is formally committed by the District board.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District's board or through the District's board delegating this responsibility to a board member or the treasurer through the budgetary process. The District did not have any assigned resources as of June 30, 2024.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**FONDULAC PUBLIC LIBRARY DISTRICT  
COMBINING BALANCE SHEET – ALL FUND TYPES  
JUNE 30, 2024**

<b>ASSETS</b>	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Working Cash Fund</u>	<u>Total</u>
Cash, Cash Equivalents, and Investments	\$ 718,562	\$ 2,181,836	\$ 227,674	\$ 3,128,072
Property Taxes Receivable	2,304,575	-	-	2,304,575
Replacement Taxes Receivable	39,838	-	-	39,838
Gifts Receivable	2,500	-	-	2,500
Due from Other Funds	3,225	-	-	3,225
Prepaid Expenses	24,776	-	-	24,776
<b>Total Assets</b>	<b><u>\$ 3,093,476</u></b>	<b><u>\$ 2,181,836</u></b>	<b><u>\$ 227,674</u></b>	<b><u>\$ 5,502,986</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 11,728	\$ -	\$ -	\$ 11,728
Accrued and Withheld Payroll Taxes	1,099	-	-	1,099
Unearned Revenue	45,718	-	-	45,718
Due to Other Funds	-	3,225	-	3,225
<b>Total Liabilities</b>	<b><u>58,545</u></b>	<b><u>3,225</u></b>	<b><u>-</u></b>	<b><u>61,770</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Subsequent Year's Property Taxes	2,304,575	-	-	2,304,575
<b>FUND BALANCE</b>				
Nonspendable	24,776	-	-	24,776
Restricted	31,810	-	-	31,810
Committed	-	2,178,611	227,674	2,406,285
Unassigned	673,770	-	-	673,770
<b>Total Fund Balance</b>	<b><u>730,356</u></b>	<b><u>2,178,611</u></b>	<b><u>227,674</u></b>	<b><u>3,136,641</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b><u>\$ 3,093,476</u></b>	<b><u>\$ 2,181,836</u></b>	<b><u>\$ 227,674</u></b>	<b><u>\$ 5,502,986</u></b>



**FONDULAC PUBLIC LIBRARY DISTRICT  
RECONCILIATION OF THE COMBINING BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Total Fund Balances - Governmental Funds		\$ 3,136,641
<p>Amounts reported for business-type activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in business-type activities are not financial resources and, therefore, are not reported in the governmental funds. The total cost of capital assets is \$9,516,267 and is reported net of accumulated depreciation of \$3,589,638.</p>		5,971,629
<p>Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		382,818
<p>Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		(3,567)
<p>Long-term liabilities arising from cash transactions are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.</p>		(1,975,540)
<p>Long-term compensated absences is not reported as liabilities in the funds.</p>		(44,682)
<p>Interest payable on debt is not reported in the funds if payments are due subsequent to the year-end.</p>		<u>(19,118)</u>
Net Position - Business-Type Activities		<u><u>\$ 7,448,181</u></u>

**FONDULAC PUBLIC LIBRARY DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – ALL FUND TYPES  
YEAR ENDED JUNE 30, 2024**

	General Fund	Reserve Fund	Working Cash Fund	Total
<b>REVENUES</b>				
Property Taxes	\$ 1,726,568	\$ -	\$ -	\$ 1,726,568
Property Taxes - Bonds and Interest	497,680	-	-	497,680
Replacement Taxes	235,217	-	-	235,217
Fees, Fines, and Charges for Services	23,612	-	-	23,612
Interest Earnings	1,743	82,088	7,941	91,772
Grants and Contributions	34,299	-	-	34,299
Gifts and Other	12,079	-	-	12,079
Total Revenues	<u>2,531,198</u>	<u>82,088</u>	<u>7,941</u>	<u>2,621,227</u>
<b>EXPENDITURES</b>				
Current:				
General and Administrative	1,520,378	-	-	1,520,378
Library Expenditures	261,763	-	-	261,763
Building Upkeep	263,089	-	-	263,089
Capital Expenditures	26,711	-	-	26,711
Debt Service:				
Principal	640,000	-	-	640,000
Interest	82,880	-	-	82,880
Total Expenditures	<u>2,794,821</u>	<u>-</u>	<u>-</u>	<u>2,794,821</u>
<b>NET CHANGE IN FUND BALANCE</b>	(263,623)	82,088	7,941	(173,594)
Fund Balance - Beginning of Year	<u>993,979</u>	<u>2,096,523</u>	<u>219,733</u>	<u>3,310,235</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 730,356</u>	<u>\$ 2,178,611</u>	<u>\$ 227,674</u>	<u>\$ 3,136,641</u>

**FONDULAC PUBLIC LIBRARY DISTRICT  
RECONCILIATION OF THE COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT  
OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Governmental Funds \$ (173,594)

Governmental funds report capital outlays as expenditures. However, in the Statement of Revenues, Expenses, and Changes in Net Position, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	(314,652)
Capital Outlay:	
Book costs included in library expenditures	115,520
Equipment costs included in capital expenditures	26,711

Governmental funds report pension contributions as expenditures when made. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred inflows and deferred outflows of resources related to pensions, and the investment experience.

Pension Contributions	237,401
Pension Expense	(140,225)
Total	97,176

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position. 640,000

Change in Compensated Absences (587)

Interest expense on long-term-debt is not recognized in the governmental funds until paid but is recognized as incurred in the Statement of Revenues, Expenses, and Changes in Net Position. 3,204

Change in Net Position - Business-Type Activities \$ 393,778

**FONDULAC PUBLIC LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE – BUDGET (CASH BASIS) AND ACTUAL – GENERAL FUND  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,823,770	\$ 2,224,248	\$ 400,478
Replacement Taxes	300,000	256,933	(43,067)
Fees, Fines, and Charges for Services	30,000	23,612	(6,388)
Interest Earnings	5,000	1,743	(3,257)
Grants and Contributions	60,000	62,017	2,017
Gifts and Other	25,000	12,079	(12,921)
Total Revenues	2,243,770	2,580,632	336,862
<b>EXPENDITURES</b>			
Current:			
General and Administrative:			
Salaries and Wages	1,070,000	999,895	70,105
Retirement Expense and Payroll Taxes	198,000	312,819	(114,819)
Unemployment Taxes	6,500	3,658	2,842
Employee Benefits	150,000	92,808	57,192
Automated Circulation Control	32,000	26,385	5,615
OCLC Cataloging	7,500	6,561	939
Insurance	35,000	22,879	12,121
Professional Fees	35,500	27,892	7,608
Staff and Board Development	17,000	9,586	7,414
Postage	6,000	4,871	1,129
Telephone	18,750	17,843	907
Miscellaneous	7,770	19,018	(11,248)
Contingency	60,000	-	60,000
Total General and Administrative	1,644,020	1,544,215	99,805
Library Expenditures:			
Books and Periodicals	156,500	149,151	7,349
Audio-Visual	25,000	13,257	11,743
Technical Supplies	30,000	22,865	7,135
Planning and Programming	35,000	17,128	17,872
Equipment Purchases	100,000	76,323	23,677
Total Library Expenditures	346,500	278,724	67,776
Building Upkeep:			
Utilities	106,250	114,241	(7,991)
Repairs and Maintenance	147,000	106,399	40,601
Improvements	-	31,907	(31,907)
Project Development	-	7,208	(7,208)
Total Building Upkeep	253,250	259,755	(6,505)

**FONDULAC PUBLIC LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE – BUDGET (CASH BASIS) AND ACTUAL – GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>EXPENDITURES (CONTINUED)</b>			
Debt Service:			
Principal	\$ 1,000,000	\$ 640,000	\$ 360,000
Interest	-	82,880	(82,880)
Total Debt Service	<u>1,000,000</u>	<u>722,880</u>	<u>277,120</u>
 Total Expenditures	 <u>3,243,770</u>	 <u>2,805,574</u>	 <u>438,196</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 (1,000,000)	 (224,942)	 775,058
 <b>OTHER FINANCING SOURCES</b>			
Transfers In	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u><u>\$ -</u></u>	 (224,942)	 <u><u>\$ (224,942)</u></u>
 <b>RECONCILIATION TO MODIFIED ACCRUAL BASIS</b>			
Net Change Resulting from Recording of Accounts Receivable, Payable, and Other Accrued Items		<u>(38,681)</u>	
 <b>DEFICIENCY OF REVENUES OVER EXPENDITURES - MODIFIED ACCRUAL BASIS</b>		 (263,623)	
 Fund Balance - Beginning of Year		 <u>993,979</u>	
 <b>FUND BALANCE - END OF YEAR</b>		 <u><u>\$ 730,356</u></u>	

**FONDULAC PUBLIC LIBRARY DISTRICT  
TAX INFORMATION  
YEAR ENDED JUNE 30, 2024**

The following is a summary of the tax settlement made by the County Collector of the 2022 District corporate tax and a five-year comparison of tax rates and equalized assessed valuations.

Property Taxes Recognized as Revenue This Fiscal Year \$ 2,224,248

Tax Year	Certified Tax Rate	Total Equalized Assessed Valuation
2019	.5309	479,756,766
2020	.4480	479,415,375
2021	.5052	486,604,688
2022	.5091	506,217,196
2023	.4902	542,790,987



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.