FONDULAC PUBLIC LIBRARY DISTRICT

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

FONDULAC PUBLIC LIBRARY DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2023, 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.

Board of Trustees
Fondulac Public Library District

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

CliftonLarsonAllen LLP

Peoria, Illinois
October 4, 2023

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, 2023. 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 $7,054,403
- The Library saw an increase in net position of $228,365

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.

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 of activities 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 $2,260,000 of long-term debt (including $340,000 current portion) for the issuance of General Obligation Building Bonds at the close of the fiscal year.

Approximately 55% 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:

Statement of Net Position	2023	2022
Current Assets	$ 5,576,507	$ 5,221,491
Noncurrent Assets	6,144,050	6,422,665
Total Assets	11,720,557	11,644,156
Deferred Outflows of Resources	617,587	587,362
Current Liabilities	413,273	394,267
Long-Term Liabilities	2,636,319	2,302,978
Total Liabilities	3,049,592	2,697,245
Deferred Inflows of Resources	2,234,149	2,708,235

	2023	2022
Net Position:		
Net Investment in Capital Assets	$ 3,882,937	$ 3,745,531
Restricted	31,810	120,573
Unrestricted	3,139,656	2,959,934
Total Net Position	$ 7,054,403	$ 6,826,038
Statement of Revenues, Expenses, and Changes in Net Position		
Operating Revenues:		
Fees, Fines, and Charges for Services	$ 26,145	$ 25,106
Operating Grants and Contributions	15,229	56,774
Total Operating Revenues	41,374	81,880
Operating Expenses:		
General and Administrative	1,513,548	1,167,535
Library Expenditures	233,620	132,592
Building Upkeep	236,811	225,292
Depreciation	311,095	296,988
Total Operating Expenses	2,295,074	1,822,407
Nonoperating Revenues (Expenses):		
Property Taxes	2,131,883	1,857,477
Other	442,482	384,456
Interest Expense	(92,300)	(104,165)
Total Nonoperating Revenues (Expenses)	2,482,065	2,137,768
Change in Net Position	228,365	397,241
Net Position - Beginning of Year	6,826,038	6,428,797
Net Position - End of Year	$ 7,054,403	$ 6,826,038

Operating expenses increased from 2022 by $472,667 or approximately 25.9%. The increase is primarily due to an increase in general and administrative expenses and library expenses.

Nonoperating revenues (expenses) increased from 2022 by $344,297 or approximately 16.1%. The increase is primarily due to an increase in property taxes.

Capital Assets

At the end of the fiscal year 2023, the District had invested in a variety of capital assets, as reflected in the following schedule:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Not Depreciated:				
Land	$ 540,000	$ -	$ -	$ 540,000
Depreciated:				
Buildings and Improvements	6,861,432	-	-	6,861,432
Furniture and Equipment	1,201,427	-	-	1,201,427
Library Materials	699,055	117,122	-	816,177
Total Depreciated	8,761,914	117,122	-	8,879,036
Total Cost	$ 9,301,914	$ 117,122	$ -	$ 9,419,036

Accumulated depreciation for the year ended June 30, 2023 was as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Buildings and Improvements	$ 1,489,237	$ 176,584	$ -	$ 1,665,821
Furniture and Equipment	1,117,952	25,431	-	1,143,383
Library Materials	356,702	109,080	-	465,782
Total Accumulated Depreciation	$ 2,963,891	$ 311,095	$ -	$ 3,274,986

Long-Term Debt

The District owed total bonded debt of $2,260,000 at June 30, 2023, 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

In the fall of 2023, the Board of Trustees intends to initiate a renewed Market Benchmarking and Compensation Structure Development Project with an outside consultant. The Library has made significant progress on the initial plan implemented in 2020, and the Board intends to continue this progress to ensure staff pay is appropriate for the positions held, competitive for the market, and sustainable for the Library's budget and future.

Factors or Conditions Impacting Future Periods (Continued)

The Board of Trustees continues to investigate additional risk-adverse investment opportunities to take advantage of rising interest rates. In FY2023, the Board invested a portion of the Reserve Fund balance into a Certificate of Deposit ladder strategy and a portion of the Working Cash Fund balance into a single Certificate of Deposit.

While Personal Property Replacement Taxes (also known as Corporate Replacement Taxes) have been increasing over the past years, income from them remains unpredictable. The Library continues to assess trends with this income before planning its use for long-term cost commitments. For the immediate future, PPRT funds continue to provide the Library the opportunities to reduce unfunded pension liability or increase its special reserve fund for future capital costs.

At this time, the library expects that the bonds from the construction of the current facility will be paid in full in 2028, four years ahead of schedule due to prepayments and savings in interest payments.

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

FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash, Cash Equivalents, and Investments	$ 3,258,404
Property Taxes Receivable	2,215,321
Replacement Taxes Receivable	61,554
Gifts Receivable	6,192
Prepaid Expenses	35,036
Total Current Assets	5,576,507
NONCURRENT ASSETS	
Capital Assets Not Being Depreciated	540,000
Capital Assets Being Depreciated	8,879,036
Less: Accumulated Depreciation	(3,274,986)
Total Noncurrent Assets	6,144,050
Total Assets	11,720,557
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	617,587
Total Assets and Deferred Outflows of Resources	$ 12,338,144
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	$ 29,383
Accrued and Withheld Payroll Taxes	3,568
Unearned Revenue	18,000
Accrued Interest Payable	22,322
Long-Term Debt, Current Portion	340,000
Total Current Liabilities	413,273
LONG-TERM LIABILITIES	
Long-Term Debt	1,920,000
Compensated Absences	44,095
Net Pension Liability	672,224
Total Long-Term Liabilities	2,636,319
Total Liabilities	3,049,592
DEFERRED INFLOWS OF RESOURCES	
Subsequent Year's Property Taxes	2,215,321
Deferred Inflows of Resources Related to Pensions	18,828
Total Deferred Inflows of Resources	2,234,149
NET POSITION	
Net Investment in Capital Assets	3,882,937
Restricted for:	
Bahnfleth Memorial	31,810
Unrestricted	3,139,656
Total Net Position	7,054,403
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 12,338,144

See accompanying Notes to Basic Financial Statements.

FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Fees, Fines, and Charges for Services	$ 26,145
Operating Grants and Contributions	15,229
Total Operating Revenues	41,374
OPERATING EXPENSES	
General and Administrative	1,513,548
Library Expenses	233,620
Building Upkeep	236,811
Depreciation	311,095
Total Operating Expenses	2,295,074
OPERATING LOSS	(2,253,700)
NONOPERATING INCOME (EXPENSES)	
Property Taxes	1,632,988
Property Taxes - Bonds and Interest	498,895
Replacement Taxes	390,349
Interest Earnings	42,144
Gifts and Other	9,989
Interest Expense	(92,300)
Total Nonoperating Income (Expenses)	2,482,065
INCREASE IN NET POSITION	228,365
Net Position - Beginning of Year	6,826,038
NET POSITION - END OF YEAR	$ 7,054,403

See accompanying Notes to Basic Financial Statements.

FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 26,145
Receipts from Operating Grants and Contributions	33,229
Payments to Suppliers	(878,409)
Payments to Employees	(945,938)
Net Cash Used by Operating Activities	(1,764,973)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	2,131,883
Other Nonoperating Revenue	400,064
Net Cash Provided by Noncapital Financing Activities	2,531,947
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(118,501)
Principal Paid on Bonds	(330,000)
Interest Paid on Bonds	(95,311)
Net Cash Used by Capital and Related Financing Activities	(543,812)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Certificates of Deposit	(2,234,326)
Interest on Deposits and Investments	42,144
Net Cash Used by Investing Activities	(2,192,182)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,969,020)
Cash and Cash Equivalents - Beginning of Year	2,993,098
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,024,078
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and Cash Equivalents	$ 1,024,078
Certificates of Deposit - Nonnegotiable	2,234,326
Total Cash, Cash Equivalents, and Investments	$ 3,258,404

See accompanying Notes to Basic Financial Statements.

FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2023

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$	(2,253,700)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation		311,095
Effects of Changes in Operating Assets and Liabilities:		
Prepaid Expenses		(2,513)
Deferred Outflows of Resources Related to Pensions		(30,225)
Accounts Payable and Accrued Liabilities		(3,862)
Accrued and Withheld Payroll Taxes		(742)
Unearned Revenue		18,000
Compensated Absences		1,117
Net Pension Liability		756,866
Deferred Inflows of Resources Related to Pensions		(561,009)
Net Cash Used by Operating Activities	$	(1,764,973)

SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL ACTIVITIES

As of June 30, 2023, $1,113 of Capital Assets Acquired Were Included in Accounts Payable.

See accompanying Notes to Basic Financial Statements.

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.

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, 2023 represents installments of the 2021 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 2022, for which an enforceable lien exists at year-end, but is levied for the fiscal year 2024 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.

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 compiled 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.

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, 2023, 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

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its financial statements. The District has one type of item which occurs related to its net pension liability (asset). Part of this balance is due to the District recognizing its net pension liability (asset) as of December 31, 2022, the end of the plan’s fiscal year. The District made contributions to the pension plan during the period January 1, 2023 through June 30, 2023.

Deferred Inflows of Resources

The District’s financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District has two types of items that are deferred inflows of resources. One type of item occurs 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 of item occurs related to its net pension liability (asset), because the actuary noted a difference between the expected and actual experience of the pension activity.

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, 2023, none of the District's bank balance of $3,320,013 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	$ 3,209,076	$ 3,320,013
Petty Cash	21	N/A
Total	$ 3,209,097	$ 3,320,013

Illinois Funds

At June 30, 2023, the District had amounts in the Illinois Funds as follows:

Investment	Maturities	Fair Value*
Illinois Funds	60-Month Average	$ 49,307

* 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.

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, 2023, 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, 2023 were as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Not Depreciated:				
Land	$ 540,000	$ -	$ -	$ 540,000
Depreciated:				
Buildings and Improvements	6,861,432	-	-	6,861,432
Furniture and Equipment	1,201,427	-	-	1,201,427
Library Materials	699,055	117,122	-	816,177
Total Depreciated	8,761,914	117,122	-	8,879,036
Total Cost	$ 9,301,914	$ 117,122	$ -	$ 9,419,036

Accumulated depreciation for the year ended June 30, 2023 was as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Buildings and Improvements	$ 1,489,237	$ 176,584	$ -	$ 1,665,821
Furniture and Equipment	1,117,952	25,431	-	1,143,383
Library Materials	356,702	109,080	-	465,782
Total Accumulated Depreciation	$ 2,963,891	$ 311,095	$ -	$ 3,274,986

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, 2023:

	General Obligation Building Bonds Series 2012
Balance - July 1, 2022	$ 2,590,000
Bonds Paid	330,000
Bonds Issued	-
Balance - June 30, 2023	2,260,000
Less: Current Portion	340,000
Long-Term Debt, Net of Current Portion	$ 1,920,000

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:

Year Ending June 30,	Principal	Interest	Total
2024	$ 340,000	$ 82,880	$ 422,880
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	415,000	8,508	423,508
Total	$ 2,260,000	$ 282,408	$ 2,542,408

Legal Debt Margin

The legal debt margin of the District at June 30, 2023 is as follows:

Assessed Valuation 2022	$ 506,217,196
Statutory Debt Limitation (2.875% of Assessed Valuation)	$ 14,553,744
Less: Total Debt	2,260,000
Legal Debt Margin	$ 12,293,744

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.

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 1⅔% 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 1⅔% 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.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries Currently Receiving Benefits	16
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	11
Active Plan Members	17
Total	44

Contributions

As set by statute, the District's Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar years 2023 and 2022 was 11.86% and 12.07%, respectively. For the fiscal year ended 2023, the District contributed $93,648 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, 2022. 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, 2022:

- 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 2020 valuation according to an experience study from years 2017 to 2019.
- 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.

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-2020.
- 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-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	35.5 %	6.50 %
International Equity	18.0	7.60
Fixed Income	25.5	4.90
Real Estate	10.5	6.20
Alternative Investments	9.5	6.25-9.90
Cash Equivalents	1.0	4.00
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).

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 4.05%, 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, 2021	$ 4,612,054	$ 4,696,696	$ (84,642)
Changes for the Year:			
Service Cost	69,258	-	69,258
Interest on the Total Pension Liability	328,614	-	328,614
Differences Between Expected and Actual Experience of the Total Pension Liability	70,305	-	70,305
Contributions - Employer	-	367,453	(367,453)
Contributions - Employees	-	59,594	(59,594)
Investment Income	-	(623,514)	623,514
Benefit Payments, Including Refunds of Employee Contributions	(229,096)	(229,096)	-
Administrative Expenses	-	(2,913)	2,913
Other Changes	-	(89,309)	89,309
Net Changes	239,081	(517,785)	756,866
Balance - December 31, 2022	$ 4,851,135	$ 4,178,911	$ 672,224

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)	$ 1,327,375	$ 672,224	$ 148,708

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, 2023, the District recognized pension expense of $259,280. At June 30, 2023, 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	$ 213,735	$ 5,661
Changes of Assumptions	-	13,167
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	356,326	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	570,061	18,828
Pension Contributions Made Subsequent to the Measurement Date	47,526	-
Total Deferred Amounts Related to Pensions	$ 617,587	$ 18,828

$47,526 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, 2024.

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2024	$ 82,379
2025	140,340
2026	135,789
2027	192,725
Total	$ 551,233

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)
YEAR ENDED JUNE 30, 2023

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

FONDULAC PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
YEAR ENDED JUNE 30, 2023

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

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.

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 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 2022 Contribution Rates:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	21-Year Closed Period
Asset Valuation Method:	5-Year Smoothed Market; 20% Corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75%, Including Inflation
Investment Rate of Return:	7.25%
Retirement Age:	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.
Mortality:	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, 2020 actuarial valuation.

FONDULAC PUBLIC LIBRARY DISTRICT
FUND BALANCE CLASSIFICATION
JUNE 30, 2023

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, 2023.

- 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, 2023

	General Fund	Reserve Fund	Working Cash Fund	Total
ASSETS				
Cash, Cash Equivalents, and Investments	$ 938,923	$ 2,099,748	$ 219,733	$ 3,258,404
Property Taxes Receivable	2,215,321	-	-	2,215,321
Replacement Taxes Receivable	61,554	-	-	61,554
Gifts Receivable	6,192	-	-	6,192
Due from Other Funds	3,225	-	-	3,225
Prepaid Expenses	35,036	-	-	35,036
Total Assets	$ 3,260,251	$ 2,099,748	$ 219,733	$ 5,579,732
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 29,383	$ -	$ -	$ 29,383
Accrued and Withheld Payroll Taxes	3,568	-	-	3,568
Unearned Revenue	18,000	-	-	18,000
Due to Other Funds	-	3,225	-	3,225
Total Liabilities	50,951	3,225	-	54,176
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	2,215,321	-	-	2,215,321
FUND BALANCE				
Nonspendable	35,036	-	-	35,036
Restricted	31,810	-	-	31,810
Committed	-	2,096,523	219,733	2,316,256
Unassigned	927,133	-	-	927,133
Total Fund Balance	993,979	2,096,523	219,733	3,310,235
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 3,260,251	$ 2,099,748	$ 219,733	$ 5,579,732

FONDULAC PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE COMBINING BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances - Governmental Funds	$ 3,310,235
Amounts reported for business-type activities in the Statement of Net Position are different because:	
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 $9,419,036 and is reported net of accumulated depreciation of $3,274,986.	6,144,050
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	617,587
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(18,828)
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.	(2,932,224)
Long-term compensated absences is not reported as liabilities in the funds.	(44,095)
Interest payable on debt is not reported in the funds if payments are due subsequent to the year-end.	(22,322)
Net Position - Business-Type Activities	$ 7,054,403

FONDULAC PUBLIC LIBRARY DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ALL FUND TYPES
YEAR ENDED JUNE 30, 2023

	General Fund	Reserve Fund	Working Cash Fund	Total
REVENUES				
Property Taxes	$ 1,632,988	$ -	$ -	$ 1,632,988
Property Taxes - Bonds and Interest	498,895	-	-	498,895
Replacement Taxes	390,349	-	-	390,349
Fees, Fines, and Charges for Services	26,145	-	-	26,145
Interest Earnings	7,158	32,992	1,994	42,144
Grants and Contributions	15,229	-	-	15,229
Gifts and Other	9,989	-	-	9,989
Total Revenues	2,580,753	32,992	1,994	2,615,739
EXPENDITURES				
Current:				
General and Administrative	1,346,799	-	-	1,346,799
Library Expenditures	350,742	-	-	350,742
Building Upkeep	236,811	-	-	236,811
Debt Service:				
Principal	330,000	-	-	330,000
Interest	95,311	-	-	95,311
Total Expenditures	2,359,663	-	-	2,359,663
NET CHANGE IN FUND BALANCE	221,090	32,992	1,994	256,076
Fund Balance - Beginning of Year	772,889	2,063,531	217,739	3,054,159
FUND BALANCE - END OF YEAR	$ 993,979	$ 2,096,523	$ 219,733	$ 3,310,235

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, 2023

Net Change in Fund Balances - Governmental Funds	$	256,076
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		(311,095)
Capital Outlay:		
Book costs included in library expenditures		117,122
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		93,648
Pension Expense		(259,280)
		(165,632)
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.		330,000
Change in compensated absences		(1,117)
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.		3,011
Change in Net Position - Business-Type Activities	$	228,365

FONDULAC PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (CASH BASIS) AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual	Variance - Positive (Negative)
REVENUES			
Property Taxes	$ 1,729,045	$ 2,131,883	$ 402,838
Replacement Taxes	350,000	390,075	40,075
Fees, Fines, and Charges for Services	30,000	26,145	(3,855)
Interest Earnings	6,000	7,158	1,158
Grants and Contributions	60,000	33,229	(26,771)
Gifts and Other	25,000	9,989	(15,011)
Total Revenues	2,200,045	2,598,479	398,434
EXPENDITURES			
Current:			
General and Administrative:			
Salaries and Wages	990,000	950,160	39,840
Retirement Expense and Payroll Taxes	195,000	167,880	27,120
Unemployment Taxes	6,000	4,647	1,353
Employee Benefits	150,000	98,067	51,933
Automated Circulation Control	32,000	25,139	6,861
OCLC Cataloging	7,500	6,370	1,130
Insurance	32,000	21,412	10,588
Professional Fees	32,000	24,520	7,480
Staff and Board Development	16,000	8,752	7,248
Postage	7,500	3,398	4,102
Telephone	19,500	19,000	500
Miscellaneous	20,545	23,628	(3,083)
Public Services	50,000	-	50,000
Contingency	60,000	-	60,000
Total General and Administration	1,618,045	1,352,973	265,072
Library Expenditures:			
Books and Periodicals	156,500	143,111	13,389
Audio-Visual	25,000	23,665	1,335
Technical Supplies	30,000	24,781	5,219
Planning and Programming	33,500	18,217	15,283
Equipment Purchases	90,000	125,961	(35,961)
Total Library Expenditures	335,000	335,735	(735)
Building Upkeep:			
Utilities	110,500	112,430	(1,930)
Repairs and Maintenance	136,500	102,432	34,068
Improvements	-	31,498	(31,498)
Project Development	-	7,798	(7,798)
Total Building Upkeep	247,000	254,158	(7,158)

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, 2023

	Original and Final Budget	Actual	Variance - Positive (Negative)
EXPENDITURES (CONTINUED)			
Debt Service:			
Principal	$ 1,000,000	$ 330,000	$ 670,000
Interest	-	95,311	(95,311)
Total Debt Service	1,000,000	425,311	574,689
Total Expenditures	3,200,045	2,368,177	831,868
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,000,000)	230,302 -	1,230,302
OTHER FINANCING SOURCES			
Transfers In	1,000,000	-	(1,000,000)
NET CHANGE IN FUND BALANCE	$ -	230,302	$ 230,302
RECONCILIATION TO MODIFIED ACCRUAL BASIS			
Net Change Resulting from Recording of Accounts Receivable, Payable, and Other Accrued Items		(9,212)	
EXCESS OF REVENUES OVER EXPENDITURES - MODIFIED ACCRUAL BASIS		221,090	
Fund Balance - Beginning of Year		772,889	
FUND BALANCE - END OF YEAR		$ 993,979	

FONDULAC PUBLIC LIBRARY DISTRICT
TAX INFORMATION
YEAR ENDED JUNE 30, 2023

The following is a summary of the tax settlement made by the County Collector of the 2021 District corporate tax and a five-year comparison of tax rates and equalized assessed valuations.

Property Taxes Recognized as Revenue This Fiscal Year	$ 2,131,883

Tax Year	Certified Tax Rate	Total Equalized Assessed Valuation
2018	.4869	$ 483,397,353
2019	.5309	479,756,766
2020	.448	479,415,375
2021	.5052	486,604,688
2022	.5091	506,217,196