

FONDULAC PUBLIC LIBRARY DISTRICT

**BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**FONDULAC PUBLIC LIBRARY DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

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



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, 2025, 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, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective as of July 1, 2024, the District implemented GASB Statement 101, *Compensated Absences*. Our audit opinion is not modified with respect to the matter.

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, the schedule of changes in the net pension liability (asset) and related ratios, and the schedule of employer contributions 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.

Required Supplementary Information (Continued)

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 opinion on the basic financial statements does 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 3, 2025

**FONDULAC PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025**

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, 2025. 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 \$7,778,427.
- The Library saw an increase in net position of \$330,246.

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 operating, 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, 2025**

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 GASB 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 \$1,150,000 of long-term debt (including \$370,000 current portion) for the issuance of General Obligation Building Bonds at the close of the fiscal year.

Approximately 59% 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:

<u>Statement of Net Position</u>	2025	2024
Current Assets	\$ 5,733,133	\$ 5,499,761
Noncurrent Assets	5,765,234	5,971,629
Total Assets	11,498,367	11,471,390
Deferred Outflows of Resources	179,113	382,818
Current Liabilities	414,546	432,663
Long-Term Liabilities	1,123,777	1,665,222
Total Liabilities	1,538,323	2,097,885
Deferred Inflows of Resources	2,360,730	2,308,142

**FONDULAC PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025**

	<u>2025</u>	<u>2024</u>
Net Position:		
Net Investment in Capital Assets	\$ 4,614,946	\$ 4,349,281
Restricted	9,657	31,810
Unrestricted	3,153,824	3,067,090
Total Net Position	<u>\$ 7,778,427</u>	<u>\$ 7,448,181</u>
<u>Statement of Revenues, Expenses, and Changes in Net Position</u>		
Operating Revenues:		
Fees, Fines, and Charges for Services	\$ 35,389	\$ 23,612
Operating Grants and Contributions	27,718	34,299
Total Operating Revenues	<u>63,107</u>	<u>57,911</u>
Operating Expenses:		
General and Administrative	1,596,110	1,423,789
Library Expenses	131,255	146,243
Building Upkeep	238,467	263,089
Depreciation	315,693	314,652
Total Operating Expenses	<u>2,281,525</u>	<u>2,147,773</u>
Nonoperating Revenues (Expenses):		
Property Taxes	2,321,269	2,224,248
Other	283,433	339,068
Interest Expense	(56,038)	(79,676)
Total Nonoperating Revenues (Expenses)	<u>2,548,664</u>	<u>2,483,640</u>
Change in Net Position	330,246	393,778
Net Position - Beginning of Year	<u>7,448,181</u>	<u>7,054,403</u>
Net Position - End of Year	<u>\$ 7,778,427</u>	<u>\$ 7,448,181</u>

Operating expenses increased from 2024 by \$133,752 or approximately 6.2%. The increase is primarily due to an increase in general and administrative expenses.

Operating revenues and nonoperating revenues (expenses) were consistent with 2024 activity.

**FONDULAC PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025**

Capital Assets

At the end of the fiscal year 2025, the District had invested in a variety of capital assets, as reflected in the following schedule:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Not Depreciated:				
Land	\$ 540,000	\$ -	\$ -	\$ 540,000
Depreciated:				
Buildings and Improvements	6,861,432	-	-	6,861,432
Furniture and Equipment	1,228,138	-	-	1,228,138
Library Materials	931,697	109,298	-	1,040,995
Total Depreciated	<u>9,021,267</u>	<u>109,298</u>	<u>-</u>	<u>9,130,565</u>
Total Cost	<u>\$ 9,561,267</u>	<u>\$ 109,298</u>	<u>\$ -</u>	<u>\$ 9,670,565</u>

Accumulated depreciation for the year ended June 30, 2025 was as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Buildings and Improvements	\$ 1,842,405	\$ 176,584	\$ -	\$ 2,018,989
Furniture and Equipment	1,167,339	21,696	-	1,189,035
Library Materials	579,894	117,413	-	697,307
Total Accumulated Depreciation	<u>\$ 3,589,638</u>	<u>\$ 315,693</u>	<u>\$ -</u>	<u>\$ 3,905,331</u>

Long-Term Debt

The District owed total bonded debt of \$1,150,000 at June 30, 2025, which consisted of General Obligation Building Bonds, Series 2012. Additional information on the District's long-term debt can be found in Note 4.

Factors or Conditions Impacting Future Periods

While interest rates have weakened, the Board of Trustees continues to benefit from risk-adverse investment opportunities to grow its reserve. In FY2025, the Board invested \$350,000 of its operating reserve in two separate Certificates of Deposit. Increased and compounding interest deposits in reserve accounts strengthens the Library's financial position for the future.

**FONDULAC PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025**

Factors or Conditions Impacting Future Periods (Continued)

In May 2025, the Library made an additional \$115,367 payment towards its outstanding bonds, further increasing savings and reducing future taxation. To date, with the full payment of five bonds ahead of the original payment schedule, the Library has saved more than \$1,200,000 in interest (more than 12% 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 (October 2027), which is Tax Year 2026, and to not have to levy for the bonds in 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.

Based on projections from the state (though often inaccurate), Personal Property Replacement Taxes (also known as Corporate Replacement Taxes) are expected to hold steady in FY2026. However, PPRT income remains unpredictable and has decreased 34% each year for the last two fiscal years. As such, FY2026 likely will not result in exceptional or extraordinary overage on this income, and it is unlikely the Library will be able to make significant contributions to unfunded pension liability or its special reserve fund for future capital costs solely from additional PPRT income.

The Library does expect to utilize a portion of its special reserve fund in FY2026 to cover costs associated with replacing the two boilers (and related costs) for the Library's HVAC system.

East Peoria's Tax Increment District III expires in 2028, and associated properties should reenter tax rolls following the last TIF collection in 2029. Additionally, the development and population of residences as part of the West Washington TIF District within the Library district's boundaries should result in reimbursement to the Library in FY2027 and beyond, per 65 ILCS 5/11-74.4-3(7.7).

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, Illinois 61611
309-699-3917
www.fondulaclibrary.org

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash, Cash Equivalents, and Investments	\$ 3,328,200
Property Taxes Receivable	2,360,730
Replacement Taxes Receivable	27,199
Gifts Receivable	2,500
Prepaid Expenses	14,504
Total Current Assets	<u>5,733,133</u>

NONCURRENT ASSETS

Capital Assets Not Being Depreciated	540,000
Capital Assets Being Depreciated	9,130,565
Less: Accumulated Depreciation	<u>(3,905,331)</u>
Total Noncurrent Assets	<u>5,765,234</u>

Total Assets 11,498,367

DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS

179,113

Total Assets and Deferred Outflows of Resources \$ 11,677,480

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 9,386
Accrued and Withheld Payroll Taxes	1,826
Unearned Revenue	18,000
Accrued Interest Payable	15,334
Long-Term Debt, Current Portion	<u>370,000</u>
Total Current Liabilities	414,546

LONG-TERM LIABILITIES

Long-Term Debt	780,000
Accrued Compensated Absences	82,753
Net Pension Liability	<u>261,024</u>
Total Long-Term Liabilities	<u>1,123,777</u>

Total Liabilities 1,538,323

DEFERRED INFLOWS OF RESOURCES

Subsequent Year's Property Taxes 2,360,730

NET POSITION

Net Investment in Capital Assets 4,614,946

Restricted for:

Bahnfleth Memorial 9,657

Unrestricted 3,153,824

Total Net Position 7,778,427

Total Liabilities, Deferred Inflows of Resources, and Net Position \$ 11,677,480

See accompanying Notes to Basic Financial Statements.

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Fees, Fines, and Charges for Services	\$ 35,389
Operating Grants and Contributions	27,718
Total Operating Revenues	<u>63,107</u>

OPERATING EXPENSES

General and Administrative	1,596,110
Library Expenses	131,255
Building Upkeep	238,467
Depreciation	315,693
Total Operating Expenses	<u>2,281,525</u>

OPERATING LOSS (2,218,418)

NONOPERATING INCOME (EXPENSES)

Property Taxes	1,820,258
Property Taxes - Bonds and Interest	501,011
Replacement Taxes	157,730
Interest Earnings	102,743
Gifts and Other	22,960
Interest Expense	(56,038)
Total Nonoperating Income (Expenses)	<u>2,548,664</u>

INCREASE IN NET POSITION 330,246

Net Position - Beginning of Year 7,448,181

NET POSITION - END OF YEAR \$ 7,778,427

See accompanying Notes to Basic Financial Statements.

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 35,389
Payments to Suppliers	(811,651)
Payments to Employees	(999,771)
Net Cash Used by Operating Activities	<u>(1,776,033)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Property Taxes	2,321,269
Other Nonoperating Revenue	193,329
Net Cash Provided by Noncapital Financing Activities	<u>2,514,598</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	(111,358)
Principal Paid on Bonds	(470,000)
Interest Paid on Bonds	(59,822)
Net Cash Used by Capital and Related Financing Activities	<u>(641,180)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Certificates of Deposit	(200,000)
Interest on Deposits and Investments	3,747
Net Cash Used by Investing Activities	<u>(196,253)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (98,868)

Cash and Cash Equivalents - Beginning of Year 803,803

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 704,935

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

Cash and Cash Equivalents	\$ 704,935
Certificates of Deposit - Nonnegotiable	<u>2,623,265</u>
Total Cash, Cash Equivalents, and Investments	<u><u>\$ 3,328,200</u></u>

See accompanying Notes to Basic Financial Statements.

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

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

Operating Loss	\$ (2,218,418)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	315,693
Effects of Changes in Operating Assets, Liabilities, and related Deferrals:	
Prepaid Expenses	10,272
Deferred Outflows of Resources Related to Pensions	203,705
Accounts Payable and Accrued Liabilities	(282)
Accrued and Withheld Payroll Taxes	727
Unearned Revenue	(27,718)
Accrued Compensated Absences	38,071
Net Pension Liability	(94,516)
Deferred Inflows of Resources Related to Pensions	(3,567)
Net Cash Used by Operating Activities	<u><u>\$ (1,776,033)</u></u>

SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL ACTIVITIES

As of June 30, 2025, \$288 of Capital Assets acquired were included in
Accounts Payable.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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.

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.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025 represents installments of the 2023 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 2024, for which an enforceable lien exists at year-end, but is levied for the fiscal year 2026 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.

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;

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

- 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.

Land is not depreciated. Other 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.

Implementation of New Accounting Standard

The District adopted GASB Statement No. 101, *Compensated Absences*, which requires the corresponding liability to be recognized for (1) leave that has not been used and (2) leave that has been used but not yet settled in cash.

Accrued 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.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences (Continued)

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. In accordance with GASB Statement No. 101, *Compensated Absences*, vacation time and sick time are accrued in the financial statements when incurred and when more likely than not to be used for time off or settled in cash. The District does not settle sick time in cash.

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, 2025, there were no unspent debt 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, 2024, the end of the plan's fiscal year. The District made contributions to the pension plan during the period January 1, 2025 through June 30, 2025.

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; this type was -\$0- at June 30, 2025.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, none of the District's bank balance of \$3,334,781 was exposed to custodial credit risk. This bank balance is made up as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Deposits (including Money Market Accounts and Nonnegotiable Certificates of Deposit)	\$ 3,262,302	\$ 3,334,781
Petty Cash	50	N/A
Total	<u><u>\$ 3,262,352</u></u>	<u><u>\$ 3,334,781</u></u>

Illinois Funds

At June 30, 2025, the District had amounts in the Illinois Funds as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value*</u>
Illinois Funds	60-Month Average	<u><u>\$ 65,848</u></u>

* 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, 2025**

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, 2025, the District's investment in the Illinois Funds was rated AAmmf by Fitch Ratings.

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, 2025 were as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Not Depreciated:				
Land	\$ 540,000	\$ -	\$ -	\$ 540,000
Depreciated:				
Buildings and Improvements	6,861,432	-	-	6,861,432
Furniture and Equipment	1,228,138	-	-	1,228,138
Library Materials	931,697	109,298	-	1,040,995
Total Depreciated	9,021,267	109,298	-	9,130,565
Total Cost	<u>\$ 9,561,267</u>	<u>\$ 109,298</u>	<u>\$ -</u>	<u>\$ 9,670,565</u>

Accumulated depreciation for the year ended June 30, 2025 was as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Buildings and Improvements	\$ 1,842,405	\$ 176,584	\$ -	\$ 2,018,989
Furniture and Equipment	1,167,339	21,696	-	1,189,035
Library Materials	579,894	117,413	-	697,307
Total Accumulated Depreciation	<u>\$ 3,589,638</u>	<u>\$ 315,693</u>	<u>\$ -</u>	<u>\$ 3,905,331</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities, including accrued compensated absences, for the year ended June 30, 2025:

	General Obligation Building Bonds, Series 2012	Accrued Compensated Absences
Balance - July 1, 2024	\$ 1,620,000	\$ 44,682
Decreases	470,000	-
Increases	-	38,071
Balance - June 30, 2025	1,150,000	82,753
Less: Current Portion	370,000	-
Long-Term Debt, Net of Current Portion	<u>\$ 780,000</u>	<u>\$ 82,753</u>

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 for bonded debt are as follows:

<u>Year Ending June 30,</u>	Principal	Interest	Total
2026	\$ 370,000	\$ 55,551	\$ 425,551
2027	380,000	40,737	420,737
2028	400,000	25,095	425,095
Total	<u>\$ 1,150,000</u>	<u>\$ 121,383</u>	<u>\$ 1,271,383</u>

Legal Debt Margin

The legal debt margin of the District at June 30, 2025 is as follows:

Assessed Valuation 2024	<u>\$ 591,304,605</u>
Statutory Debt Limitation (2.875% of Assessed Valuation)	\$ 17,000,007
Less: Total Debt	1,150,000
Legal Debt Margin	<u>\$ 15,850,007</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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 annual comprehensive 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 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, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

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

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 2025 and 2024 was 8.25% and 8.80%, respectively. For the fiscal year ended 2025, the District contributed \$68,457 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, 2024. 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, 2024:

- 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, 2025**

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	33.5 %	4.35 %
International Equity	18.0	5.40
Fixed Income	24.5	5.20
Real Estate	10.5	6.40
Alternative Investments	12.5	4.85-6.25
Cash Equivalents	1.0	3.60
Total	<u>100.0 %</u>	

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, 2025**

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 4.08%, 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, 2023	\$ 5,140,850	\$ 4,785,310	\$ 355,540
Changes for the Year:			
Service Cost	72,026	-	72,026
Interest on the Total Pension Liability	365,056	-	365,056
Differences Between Expected and Actual Experience of the Total Pension Liability	55,265	-	55,265
Changes of Assumptions	-	-	-
Contributions - Employer	-	72,443	(72,443)
Contributions - Employees	-	37,044	(37,044)
Investment Income	-	490,962	(490,962)
Benefit Payments, Including Refunds of Employee Contributions	(283,219)	(283,219)	-
Administrative Expenses	-	(4,750)	4,750
Other Changes	-	(8,836)	8,836
Net Changes	<u>209,128</u>	<u>303,644</u>	<u>(94,516)</u>
Balance - December 31, 2024	<u>\$ 5,349,978</u>	<u>\$ 5,088,954</u>	<u>\$ 261,024</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>\$ 960,886</u>	<u>\$ 261,024</u>	<u>\$ (300,165)</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, the District recognized pension expense of \$174,079. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ 131,562	\$ -
Changes of Assumptions	3,470	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>9,072</u>	<u>-</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	144,104	-
Pension Contributions Made Subsequent to the Measurement Date	<u>35,009</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 179,113</u></u>	<u><u>\$ -</u></u>

\$35,009 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, 2026.

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>
2026	\$ 95,201
2027	152,137
2028	(72,901)
2029	(30,333)
Total	<u><u>\$ 144,104</u></u>

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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 TEN CALENDAR YEARS**

<u>Calendar Year Ending December 31,</u>	<u>2024</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	\$ 72,026	\$ 73,630	\$ 69,258	\$ 62,419	\$ 70,757	\$ 69,183	\$ 64,593	\$ 67,247	\$ 68,766	\$ 70,545
Interest on Total Pension Liability	365,056	344,801	328,614	299,575	284,055	271,137	257,000	243,088	227,284	212,614
Difference Between Expected and Actual Experience	55,265	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	(283,219)	(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	209,128	289,715	239,081	398,433	264,492	185,192	309,131	183,182	223,871	220,941
Total Pension Liability - Beginning	5,140,850	4,851,135	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)	5,349,978	5,140,850	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	72,443	245,932	367,453	95,065	88,835	78,754	82,681	78,692	71,740	67,141
Employee Contributions	37,044	36,400	59,594	53,029	43,946	39,751	38,045	33,317	27,803	35,152
Investment Income	490,962	599,235	(623,514)	694,787	538,361	509,573	(111,067)	441,654	172,480	(58,092)
Benefit Payments and Refunds	(283,219)	(265,525)	(229,096)	(225,808)	(133,022)	(117,407)	(120,881)	(128,160)	(79,026)	(46,901)
Administrative Expenses	(4,750)	(3,149)	(2,913)	(2,329)	(2,527)	(2,584)	(2,045)	(2,380)	(2,646)	8,308
Other	(8,836)	(6,494)	(89,309)	2	-	1	(83)	1	1	(134)
Net Change in Plan Fiduciary Net Position	303,644	606,399	(517,785)	614,746	535,593	508,088	(113,350)	423,124	190,352	5,474
Plan Fiduciary Net Position - Beginning	4,785,310	4,178,911	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)	5,088,954	4,785,310	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)	<u>\$ 261,024</u>	<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	95.12%	93.08%	86.14%	101.84%	96.88%	89.80%	80.72%	91.22%	83.40%	83.28%
Covered Payroll	\$ 823,203	\$ 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	31.71%	43.96%	87.76%	-11.55%	19.09%	59.48%	111.46%	47.43%	90.24%	84.55%

See accompanying Notes to Required Supplementary Information.

**FONDULAC PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST TEN 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
2025	72,443	68,457	3,986	838,386	8.17

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION
OF THE 2024 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 2024 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>	19-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, 2022 actuarial valuation.

**FONDULAC PUBLIC LIBRARY DISTRICT
FUND BALANCE CLASSIFICATION
JUNE 30, 2025**

GASB 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, 2025.
- 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, 2025**

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Working Cash Fund</u>	<u>Total</u>
ASSETS				
Cash, Cash Equivalents, and Investments	\$ 823,485	\$ 2,268,460	\$ 236,255	\$ 3,328,200
Property Taxes Receivable	2,360,730	-	-	2,360,730
Replacement Taxes Receivable	27,199	-	-	27,199
Gifts Receivable	2,500	-	-	2,500
Due from Other Funds	3,225	-	-	3,225
Prepaid Expenses	14,504	-	-	14,504
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,231,643</u>	<u>\$ 2,268,460</u>	<u>\$ 236,255</u>	<u>\$ 5,736,358</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 9,386	\$ -	\$ -	\$ 9,386
Accrued and Withheld Payroll Taxes	1,826	-	-	1,826
Unearned Revenue	18,000	-	-	18,000
Due to Other Funds	-	3,225	-	3,225
Total Liabilities	<u>29,212</u>	<u>3,225</u>	<u>-</u>	<u>32,437</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	2,360,730	-	-	2,360,730
FUND BALANCE				
Nonspendable	14,504	-	-	14,504
Restricted	9,657	-	-	9,657
Committed	-	2,265,235	236,255	2,501,490
Unassigned	817,540	-	-	817,540
Total Fund Balance	<u>841,701</u>	<u>2,265,235</u>	<u>236,255</u>	<u>3,343,191</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,231,643</u>	<u>\$ 2,268,460</u>	<u>\$ 236,255</u>	<u>\$ 5,736,358</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE COMBINING BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balances - Governmental Funds	\$ 3,343,191
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 \$9,670,565 and is reported net of accumulated depreciation of \$3,905,331.	5,765,234
Net pension liability is not reported as a liability in the funds.	(261,024)
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	179,113
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.	(1,150,000)
Accrued compensated absences are not reported as liabilities in the funds.	(82,753)
Accrued interest payable on debt is not reported in the funds if payments are due subsequent to the year-end.	<u>(15,334)</u>
Net Position - Business-Type Activities	<u><u>\$ 7,778,427</u></u>

**FONDULAC PUBLIC LIBRARY DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – ALL FUND TYPES
YEAR ENDED JUNE 30, 2025**

	General Fund	Reserve Fund	Working Cash Fund	Total
REVENUES				
Property Taxes	\$ 1,820,258	\$ -	\$ -	\$ 1,820,258
Property Taxes - Bonds and Interest	501,011	-	-	501,011
Replacement Taxes	157,730	-	-	157,730
Fees, Fines, and Charges for Services	35,389	-	-	35,389
Interest Earnings	7,538	86,624	8,581	102,743
Grants and Contributions	27,718	-	-	27,718
Gifts and Other	22,960	-	-	22,960
Total Revenues	<u>2,572,604</u>	<u>86,624</u>	<u>8,581</u>	<u>2,667,809</u>
EXPENDITURES				
Current:				
General and Administrative	1,452,417	-	-	1,452,417
Library Expenditures	240,553	-	-	240,553
Building Upkeep	238,467	-	-	238,467
Debt Service:				
Principal	470,000	-	-	470,000
Interest	59,822	-	-	59,822
Total Expenditures	<u>2,461,259</u>	<u>-</u>	<u>-</u>	<u>2,461,259</u>
NET CHANGE IN FUND BALANCE	111,345	86,624	8,581	206,550
Fund Balance - Beginning of Year	<u>730,356</u>	<u>2,178,611</u>	<u>227,674</u>	<u>3,136,641</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 841,701</u></u>	<u><u>\$ 2,265,235</u></u>	<u><u>\$ 236,255</u></u>	<u><u>\$ 3,343,191</u></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, 2025**

Net Change in Fund Balances - Governmental Funds	\$ 206,550
<p>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.</p>	
Depreciation Expense	(315,693)
Capital Outlay:	
Book costs included in library expenditures	109,298
<p>Governmental funds report pension contributions as expenditures when made. However, in the Statement of Revenues, Expenses, and Changes in Net Position, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions, and the investment experience.</p>	
Pension Contributions	68,457
Pension Expense	(174,079)
Total	<u>(105,622)</u>
<p>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.</p>	
	470,000
Change in Accrued Compensated Absences	(38,071)
<p>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.</p>	
	<u>3,784</u>
Change in Net Position - Business-Type Activities	<u><u>\$ 330,246</u></u>

**FONDULAC PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET (CASH BASIS) AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Original and Final Budget	Actual	Variance - Positive (Negative)
REVENUES			
Property Taxes	\$ 1,916,490	\$ 2,321,269	\$ 404,779
Replacement Taxes	300,000	170,369	(129,631)
Fees, Fines, and Charges for Services	30,000	35,389	5,389
Interest Earnings	5,000	7,538	2,538
Grants and Contributions	60,000	-	(60,000)
Gifts and Other	25,000	22,960	(2,040)
Total Revenues	<u>2,336,490</u>	<u>2,557,525</u>	<u>221,035</u>
EXPENDITURES			
Current:			
General and Administrative:			
Salaries and Wages	1,100,000	1,035,856	64,144
Retirement Expense and Payroll Taxes	295,000	151,495	143,505
Unemployment Taxes	7,000	4,584	2,416
Employee Benefits	160,000	98,191	61,809
Automated Circulation Control	35,000	27,051	7,949
OCLC Cataloging	10,000	6,709	3,291
Insurance	48,000	25,720	22,280
Professional Fees	45,000	26,330	18,670
Staff and Board Development	20,000	7,451	12,549
Postage	10,000	4,690	5,310
Telephone	31,050	21,166	9,884
Miscellaneous	39,490	41,237	(1,747)
Contingency	60,000	-	60,000
Total General and Administrative	<u>1,860,540</u>	<u>1,450,480</u>	<u>410,060</u>
Library Expenditures:			
Books and Periodicals	187,000	129,647	57,353
Audio-Visual	30,000	14,151	15,849
Technical Supplies	35,000	24,755	10,245
Planning and Programming	45,000	19,239	25,761
Equipment Purchases	105,000	43,585	61,415
Total Library Expenditures	<u>402,000</u>	<u>231,377</u>	<u>170,623</u>
Building Upkeep:			
Utilities	103,950	72,000	31,950
Repairs and Maintenance	170,000	129,120	40,880
Improvements	-	30,110	(30,110)
Project Development	-	9,950	(9,950)
Total Building Upkeep	<u>273,950</u>	<u>241,180</u>	<u>32,770</u>

**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, 2025**

	Original and Final Budget	Actual	Variance - Positive (Negative)
EXPENDITURES (CONTINUED)			
Debt Service:			
Principal	\$ 1,000,000	\$ 470,000	\$ 530,000
Interest	-	59,822	(59,822)
Total Debt Service	<u>1,000,000</u>	<u>529,822</u>	<u>470,178</u>
 Total Expenditures	<u>3,536,490</u>	<u>2,452,859</u>	<u>1,083,631</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (1,200,000)	 104,666	 1,304,666
 OTHER FINANCING SOURCES			
Transfers In	<u>1,200,000</u>	<u>-</u>	<u>(1,200,000)</u>
 NET CHANGE IN FUND BALANCE	 <u><u>\$ -</u></u>	 104,666	 <u><u>\$ 104,666</u></u>
 RECONCILIATION TO MODIFIED ACCRUAL BASIS			
Net Change Resulting from Recording of Accounts Receivable, Payable, and Other Accrued Items		<u>6,679</u>	
 EXCESS OF REVENUES OVER EXPENDITURES - MODIFIED ACCRUAL BASIS		 111,345	
 Fund Balance - Beginning of Year		<u>730,356</u>	
 FUND BALANCE - END OF YEAR		 <u><u>\$ 841,701</u></u>	

**FONDULAC PUBLIC LIBRARY DISTRICT
TAX INFORMATION
YEAR ENDED JUNE 30, 2025**

The following is a summary of the tax settlement made by the County Collector of the 2023 District corporate tax and a five-year comparison of tax rates and equalized assessed valuations.

Property Taxes Recognized as Revenue This Fiscal Year \$ 2,321,269

<u>Tax Year</u>	<u>Certified Tax Rate</u>	<u>Total Equalized Assessed Valuation</u>
2020	.4480	479,415,375
2021	.5052	486,604,688
2022	.5091	506,217,196
2023	.4902	542,790,987
2024	.4657	591,304,605



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