

Hodgkins Public Library District

Financial Statements

June 30, 2024

Hodgkins Public Library District

Table of Contents
June 30, 2024

	<u>Page</u>
Independent Auditors' Report	1
Other Information	
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position—Modified Cash Basis	11
Statement of Activities—Modified Cash Basis	12
Fund Financial Statements:	
Balance Sheets—Modified Cash Basis - Governmental Fund	13
Reconciliation of the Governmental Fund Balance Sheet—Modified Cash Basis to the Statement of Net Position—Modified Cash Basis	14
Statements of Cash Receipts, Expenditures and Changes in Fund Balances—Modified Cash Basis - Governmental Fund	15
Reconciliation of the Governmental Fund Statement of Cash Receipts, Expenditures and Changes in Fund Balances—Modified Cash Basis to the Statement of Activities—Modified Cash Basis	16
Notes to Financial Statements	17
Other Information	
Historical Pension Information:	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability/(Asset) and Related Ratios	31
Illinois Municipal Retirement Fund - Schedule of District Contributions	33
General Fund—Modified Cash Basis - Budget and Actual:	
Schedule of Cash Receipts, Expenditures and Changes in Fund Balance—Modified Cash Basis - Budget and Actual	34
Five-Year Summary of Assessed Valuations, Tax Rates, Extensions and Collections	36

Independent Auditors' Report

To the Board of Trustees of
Hodgkins Public Library District

Qualified and Unmodified Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major funds of the Hodgkins Public Library District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of governmental activities of the District, as of June 30, 2024, and the changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Unmodified Opinion on the Major Fund

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the major fund, as of June 30, 2024, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Qualified and Unmodified Opinions

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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on Governmental Activities

The District does not maintain detailed records of the historical cost, accumulated depreciation, or depreciation expense of its capital assets. Therefore, we were unable to obtain sufficient evidence to form an opinion on the capital assets, accumulated depreciation, and depreciation expense within the governmental activities.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

Other Information

Management is responsible for the other information. The other information comprises the other information as listed in the table of contents but does not include the financial statements and our auditors' report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed a qualified audit opinion on the respective financial statements of the governmental activities because the Hodgkins Public Library District does not maintain detailed records of the historical cost, accumulated depreciation, or depreciation expense of its capital assets and an unmodified opinion on the respective financial statements of the major fund in our report dated February 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baker Tilly US, LLP

Oak Brook, Illinois
November 5, 2024

Hodgkins Public Library District

Management's Discussion and Analysis (Unaudited)
June 30, 2024

The discussion and analysis of Hodgkins Public Library District's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2024. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is presented in the Management's Discussion and Analysis (the MD&A).

Financial Highlights

- The Hodgkins Public Library District's financial status continues to be strong.
- The Hodgkins Public Library District's total net position increased by \$2,273.
- At the close of the current fiscal year, the Hodgkins Public Library District's governmental funds reported fund balance of \$6,646,665 an increase of \$5,595,455 in comparison with the prior year.
- General revenues accounted for \$951,903 or 99% of all fiscal 2024 revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$9,427 or 1% of all fiscal 2024 revenues.
- The Hodgkins Public Library District issued \$5,500,000 in general obligation bonds during fiscal year 2024.

Overview of the Financial Statements

This discussion is intended to serve as an introduction to the Hodgkins Public Library District's basic financial statements. The Hodgkins Public Library District's basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to financial statements.

This report also contains other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Hodgkins Public Library District's finances, in a manner similar to a private-sector business and are reported using the modified cash basis of accounting and economic resources measurement focus.

The Statement of Net Position presents information on all of the Hodgkins Public Library District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Hodgkins Public Library District is improving.

The Statement of Activities presents information showing how the government's net position changed during the fiscal year being reported. The modified cash basis recognizes receipts and cash disbursements when they result from cash transactions with a provision for depreciation.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities reflect the District's basic services including library services.

Hodgkins Public Library District

Management's Discussion and Analysis (Unaudited)
June 30, 2024

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Hodgkins Public Library District, like other units of government, uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds of the District are governmental funds (the District maintains no proprietary or fiduciary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified cash basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. All of the District's services are reported in a governmental fund, which focus on how money flows into and out of these funds and the balances left at year end that are available for use. Both the governmental fund balance sheet and the governmental statement of cash receipts, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between government funds and government activities.

The Hodgkins Public Library District maintains three individual governmental funds. Information for the General Fund, Bond and Interest Fund and Construction Fund are presented in the governmental fund balance sheet—modified cash basis and in the governmental fund statement of receipts, expenditures and changes in fund balances—modified cash basis for this fund, which are all considered to be major funds.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to understanding the government-wide financial statements and the various fund financial statements.

Other Information

Other information is also included in this report. The information includes the changes in the net pension liability and employer contributions of the Illinois Municipal Retirement Fund, budget to actual comparisons of the General Fund and real estate tax information.

Hodgkins Public Library District

Management's Discussion and Analysis (Unaudited)
June 30, 2024

Government-Wide Financial Analysis

The District's combined net position increased \$2,273 from \$1,395,792 to \$1,398,065.

The District's total revenue was \$961,330. Real estate taxes account for most of the District's revenue, contributing 76.07% received. Another 6.20% came from replacement taxes. The remaining 17.73% of revenue consisted of grant revenue, special program revenue, investment earnings and miscellaneous sources.

Table 1
Condensed Statement of Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 6,646,616	\$ 1,051,210
Capital assets	475,489	344,582
Total assets	<u>7,122,105</u>	<u>1,395,792</u>
Payroll withholdings liabilities	(49)	-
Long-term liabilities	5,724,089	-
Total liabilities	<u>5,724,040</u>	<u>-</u>
Investment in capital assets	330,534	344,582
Unrestricted	1,067,531	1,051,210
Total net position	<u>\$ 1,398,065</u>	<u>\$ 1,395,792</u>

Hodgkins Public Library District

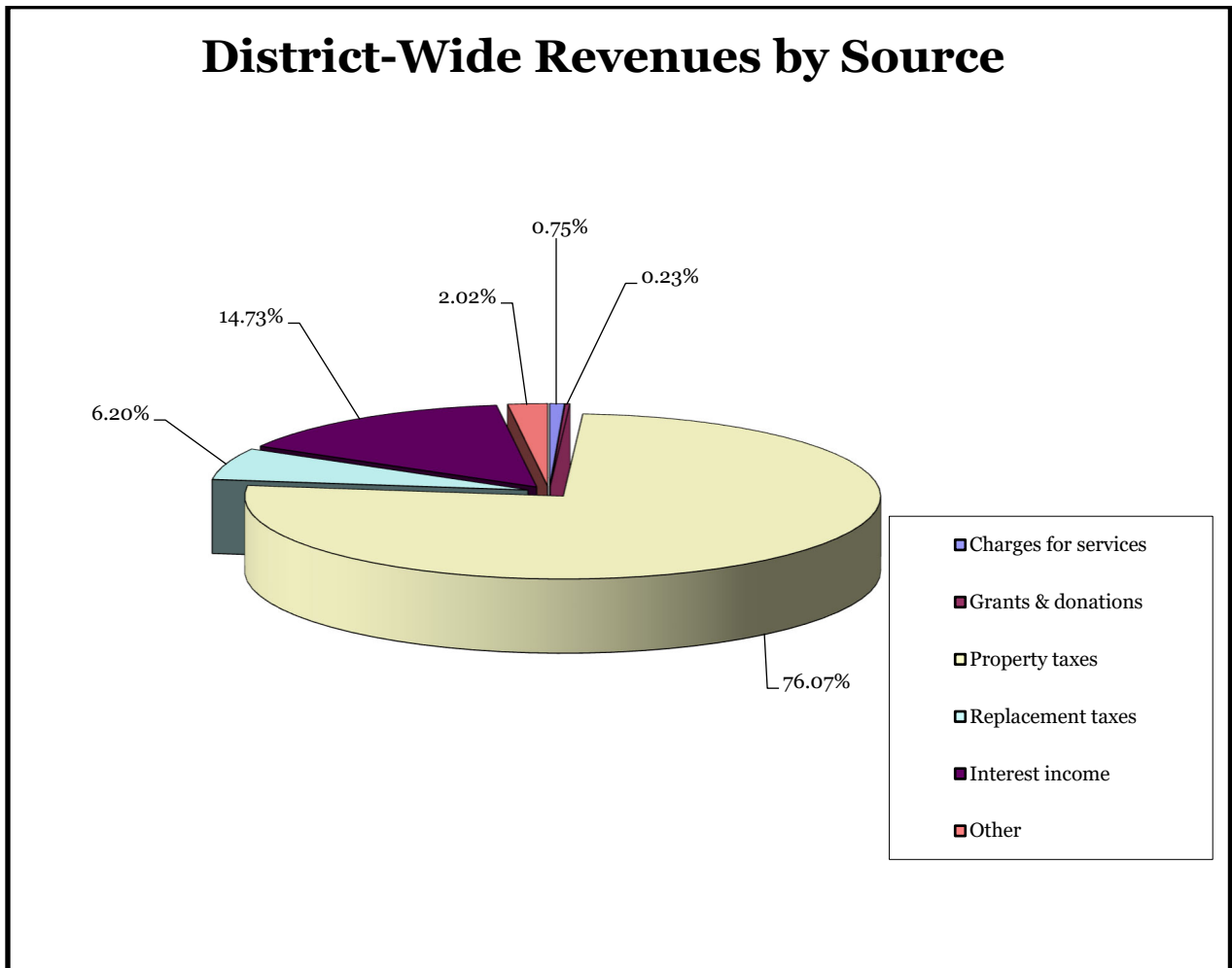
Management's Discussion and Analysis (Unaudited)
June 30, 2024

Table 2
Changes in Net Position

	<u>2024</u>	<u>2023</u>
Revenues		
Program revenues:		
Charges for services	\$ 7,209	\$ 6,884
Grants and donations	2,218	15,851
General revenues:		
Property taxes	731,368	620,274
Replacement taxes	59,589	90,469
Interest income	141,571	19,012
Other	19,375	20,672
 Total revenues	 <u>961,330</u>	 <u>773,162</u>
Expenses		
Library services	<u>959,057</u>	<u>684,775</u>
 Total expenses	 <u>959,057</u>	 <u>684,775</u>
 Change in net position	 <u>\$ 2,273</u>	 <u>\$ 88,386</u>

Hodgkins Public Library District

Management's Discussion and Analysis (Unaudited)
June 30, 2024



Financial Analysis of the Governmental Funds

The Hodgkins Public Library District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Hodgkins Public Library District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Hodgkins Public Library District's financing requirements.

The Hodgkins Public Library District's has three major funds: General Fund, Bond and Interest Fund and Construction Fund.

As of the end of the current fiscal year, the Hodgkins Public Library District's governmental funds reported an ending fund balance of \$6,646,665, an increase of \$5,595,455 from fiscal year 2023.

Hodgkins Public Library District

Management's Discussion and Analysis (Unaudited)
June 30, 2024

General Fund Budgetary Highlights

The actual revenues were greater than the projected revenues by \$99,074 in the General Fund for the year ended June 30, 2024, primarily due to higher than anticipated property taxes.

The actual expenditures for fiscal 2024 were less than budgeted expenditures by \$179,846. The variance from budget can be attributed to the conservative budgeting practices of the District as well as the careful spending practices. The fund balance in the General Fund at June 30, 2024 is \$1,234,305.

Capital Assets

At the end of fiscal 2024, the Hodgkins Public Library District had total capital assets (net of accumulated depreciation) of \$475,489, invested in a broad range of capital assets including furniture, equipment, buildings, land, land improvements and library materials. The District purchased \$146,855 in capital assets during the year. More detailed information about capital assets can be found in Note 3 of the basic financial statements.

Table 3
Capital Assets (Net of Accumulated Depreciation)

	<u>2024</u>	<u>2023</u>
Land	\$ 57,500	\$ 57,500
Construction in progress	179,490	34,535
Building, furniture and equipment	<u>238,499</u>	<u>252,547</u>
Total	<u>\$ 475,489</u>	<u>\$ 344,582</u>

Hodgkins Public Library District

Management's Discussion and Analysis (Unaudited)
June 30, 2024

Economic Factors Affecting the District

- Property tax appeals resulting in tax refunds and assessment reductions are a continuing concern, eroding the District's tax base. However, the library is financially sound and in FY 24 will apply for grants available to libraries.
- April 4, 2023 was one of the most remarkable dates of note for Hodgkins Public Library District. The Library District and its elected board asked its community to raise substantial funds for the construction of a new building. The community responded overwhelmingly to the request, and said "yes" to a \$5.5 million bond issuance for the building project. The board is working hard to make the community proud with that investment.
- The Library District will continue to be great stewards of the construction funds as well as the general funds we receive on an annual basis. Year after year, our financial position and annual audits show how hard the elected board members work to ensure that they are not contributing to the notion of government waste. They keep budgets in line, and work hard to obtain savings wherever possible.
- These next couple of years will be crucial to the success of the Hodgkins Public Library District. Not only does the board need to decide on the most fiscally prudent structure, but also have to stay within budget to see that through.

At the time these financial statements were prepared and audited, Hodgkins Public Library District was unaware of any other existing circumstances that would significantly affect its financial health in the future.

Requests for Information

This financial report is designed to provide a general overview of the Hodgkins Public Library District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hodgkins Public Library District, 6500 Wenz Avenue, Hodgkins, Illinois 60525.

BASIC FINANCIAL STATEMENTS

Hodgkins Public Library District

Statement of Net Position—Modified Cash Basis

June 30, 2024

Assets

Cash and investments	\$ 6,646,616
Capital assets:	
Land	57,500
Construction in progress	179,490
Depreciable buildings, property and equipment, net of accumulated depreciation	<u>238,499</u>
Total assets	<u>7,122,105</u>

Liabilities

Payroll withholdings	(49)
Long-term liabilities:	
Due within one year	135,000
Due after one year	<u>5,589,089</u>
Total liabilities	<u>5,724,040</u>

Net Position

Investment in capital assets	330,534
Unrestricted	<u>1,067,531</u>
Total net position	<u>\$ 1,398,065</u>

See notes to financial statements

Hodgkins Public Library District

Statement of Activities—Modified Cash Basis

June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
Governmental Activities				
Library services	\$ 678,151	\$ 7,209	\$ 2,218	\$ (668,724)
Interest and fees	280,906	-	-	(280,906)
Total governmental activities	<u>\$ 959,057</u>	<u>\$ 7,209</u>	<u>\$ 2,218</u>	<u>(949,630)</u>
General Revenues				
Taxes:				
Property taxes				731,368
Replacement taxes				59,589
Interest income				141,571
Other				<u>19,375</u>
Subtotal, general revenues				<u>951,903</u>
Change in net position				2,273
Net Position, Beginning				<u>1,395,792</u>
Net Position, Ending				<u>\$ 1,398,065</u>

See notes to financial statements

Hodgkins Public Library District

Governmental Fund

Balance Sheets—Modified Cash Basis

June 30, 2024

With Comparative Totals as of June 30, 2023

	2024			2023	
	General Fund	Bond and Interest Fund	Construction Fund	Total	Total
Assets					
Cash	\$ 1,234,256	\$ -	\$ 5,412,360	\$ 6,646,616	\$ 1,051,210
Due from other funds	-	-	183,808	183,808	-
Total assets	<u>\$ 1,234,256</u>	<u>\$ -</u>	<u>\$ 5,596,168</u>	<u>\$ 6,830,424</u>	<u>\$ 1,051,210</u>
Liabilities and Fund Balance					
Liabilities					
Payroll withholdings	\$ (49)	\$ -	\$ -	(49)	\$ -
Due to other funds	-	183,808	-	183,808	-
Total liabilities	<u>(49)</u>	<u>183,808</u>	<u>-</u>	<u>183,759</u>	<u>-</u>
Fund Balance					
Restricted fund balance	-	-	5,483,837	5,483,837	-
Assigned fund balance	-	-	112,331	112,331	-
Unassigned fund balance	<u>1,234,305</u>	<u>(183,808)</u>	<u>-</u>	<u>1,050,497</u>	<u>1,051,210</u>
Total fund balance (deficit)	<u>1,234,305</u>	<u>(183,808)</u>	<u>5,596,168</u>	<u>6,646,665</u>	<u>1,051,210</u>
Total liabilities and fund balance	<u>\$ 1,234,256</u>	<u>\$ -</u>	<u>\$ 5,596,168</u>	<u>\$ 6,830,424</u>	<u>\$ 1,051,210</u>

See notes to financial statements

Hodgkins Public Library District

Reconciliation of the Governmental Fund Balance Sheet -
Modified Cash Basis to the Statement of Net Position—Modified Cash Basis
June 30, 2024

Total Fund Balance, Governmental Fund \$ 6,646,665

Amounts reported for governmental activities in the Statement of
Net Position—Modified Cash Basis are different because:

The cost of capital assets (land, buildings, furniture and equipment) purchased
or constructed is reported as an expenditure in governmental funds. The
Statement of Net Position—Modified Cash Basis includes those capital assets
among the assets of the District as a whole.

Cost of capital assets	\$ 2,041,466	
Depreciation expense to date	<u>(1,565,977)</u>	
		<u>475,489</u>

Long-term liabilities applicable to the District's governmental activities
are not due and payable in the current period, and accordingly, are not
reported as fund liabilities. All liabilities - both current and long-term
are reported in the Statement of Net Position—Modified Cash Basis.

Balances at June 30, 2024 are:

Bonds payable	(5,500,000)	
Unamortized bond premium	<u>(224,089)</u>	
		<u>(5,724,089)</u>

Net Position of Governmental Activities \$ 1,398,065

Hodgkins Public Library District

Governmental Fund

Statements of Cash Receipts, Expenditures and Changes in Fund Balances—Modifi

Year Ended June 30, 2024

With Comparative Totals For the Year Ended June 30, 2023

	2024			2023	
	General Fund	Bond and Interest Fund	Construction Fund	Total	Total
Receipts					
Real estate taxes	\$ 731,368	\$ -	\$ -	\$ 731,368	\$ 620,274
Replacement taxes	59,589	-	-	59,589	90,469
Interest	29,240	-	112,331	141,571	19,012
Grants and donations	2,218	-	-	2,218	15,851
Other	26,584	-	-	26,584	27,555
Total receipts	848,999	-	112,331	961,330	773,161
Expenditures					
Current:					
Personnel	322,242	-	-	322,242	299,412
Library services	69,814	-	-	69,814	76,189
Physical facilities	65,654	-	-	65,654	114,286
Administration	48,706	-	-	48,706	50,513
Municipal retirement	21,014	-	-	21,014	21,634
Social security	24,214	-	-	24,214	22,392
Insurance	90,707	-	-	90,707	89,796
Debt Service:					
Interest and fees	-	183,808	110,097	293,905	-
Capital outlay	23,553	-	143,154	166,707	23,553
Total expenditures	665,904	183,808	253,251	1,102,963	697,775
Excess (deficiency) of receipts over expenditures	183,095	(183,808)	(140,920)	(141,633)	75,386
Other Financing Sources (Uses)					
Principal on bonds sold	-	-	5,500,000	5,500,000	-
Premium on bonds sold	-	-	237,088	237,088	-
Total other financing sources (uses)	-	-	5,737,088	5,737,088	-
Net change in fund balances	183,095	(183,808)	5,596,168	5,595,455	75,386
Fund Balance, Beginning	1,051,210	-	-	1,051,210	975,824
Fund Balance (Deficit), Ending	<u>\$ 1,234,305</u>	<u>\$ (183,808)</u>	<u>\$ 5,596,168</u>	<u>\$ 6,646,665</u>	<u>\$ 1,051,210</u>

See notes to financial statements

Hodgkins Public Library District

Reconciliation of the Governmental Fund
Statement of Cash Receipts, Expenditures and Changes in Fund Balances—Modified Cash Basis
to the Statement of Activities—Modified Cash Basis
Year Ended June 30, 2024

Net Change in Fund Balances, Total Governmental Fund **\$ 5,595,455**

Amounts reported for governmental activities in the
Statement of Activities—Modified Cash Basis are different because:

Capital outlays are reported in governmental funds as expenditures. However,
in the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by which
capital outlays exceed depreciation expense in the current period.

Depreciation expense	\$ (15,948)	
Capital outlays	<u>146,855</u>	
		130,907

Issuance of long-term debt is an other financing source in the
governmental funds, but is reflected on the balance sheet as
a liability in the Statement of Net Position—Modified Cash Basis.

Principal on bond sold	(5,500,000)	
Premium on bonds sold	<u>(237,088)</u>	
		<u>(5,737,088)</u>

Governmental funds report the effects of premiums, discounts and similar items when
the debt is issued. However, these amounts are deferred and amortized in the
Statement of Activities—Modified Cash Basis. This is the amount of the current year
premium amortization.

12,999

Change in Net Position of Governmental Activities

\$ 2,273

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

The Hodgkins Public Library District (the District) is located in Cook County, Illinois. The District operates under a President-Trustee form of government and provides services as authorized by its charter. For financial reporting purposes the District includes all funds, agencies and boards that are responsible to the District Board of Trustees. Responsibility to the Board of Trustees was determined on the basis of budget adoption, taxing authority, outstanding debt secured by receipts or general obligations of the District and obligations of the District to finance any deficits that may occur.

The following is a summary of the significant accounting policies of the Hodgkins Public Library District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criterion.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange receipts. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no operating activities that would be considered "business-type activities".

The statement of activities demonstrates the degree to which the direct cash disbursements of a given function or segment is offset by program receipts. Direct cash disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program receipt are reported as general receipts. Internally dedicated resources are reported as general receipts rather than as program receipts.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, receipts and cash disbursements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, receipts cash disbursements of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

The District reports the following major governmental fund:

General Fund - accounts for the District's primary operating activities. It is used to account for all financial resources.

Debt Service Fund - accounts for and reports financial resources that are restricted or assigned to expenditures for the payment of long-term debt principal, interest and related costs.

Construction Fund - accounts for proceeds and other financial resources that are restricted or assigned to expenditures for capital projects.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the modified cash basis of accounting. Under the modified cash basis of accounting, receipts, cash disbursements, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources are recognized when they result from cash transactions with a provision for depreciation in the government-wide statements. The modified cash basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Fund Financial Statements

Governmental fund financial statements are reported using the modified cash basis of accounting. Receipts and cash disbursements are recorded when they result from cash transactions. Only current financial assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on their balance sheets.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Hodgkins Public Library District

Notes to Financial Statements

Year Ended June 30, 2024

Assets, Liabilities and Net Position or Fund Balance

Deposits and Investments

Illinois Statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. Agencies, and bank and savings and loan associations covered by federal depository insurance. The District's investment policy prohibits investment in the following: commercial paper of any corporation, regardless how rated, repurchase agreements of government securities, derivative products, leveraging of assets through reverse repurchase agreements and direct investments in tri-party repurchase agreements.

The District has adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

The District's investment policy seeks to ensure preservation of capital in the overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy manages the District's exposure to fair value losses arising from increasing interest rates by forbidding any investment with a maturity in excess of one year. The policy requires the District's investment portfolio to be sufficiently liquid to meet all operating requirements as they come due.

Custodial Credit Risk - Deposits

The District's investment policy states that funds will only be maintained in financial institutions that are members of the Federal Deposit Insurance Corporation. Collateralization of investments or deposits in excess of FDIC or insurable limits is not required, unless the amount of funds deposited in a financial institution exceeds 50% of the net worth of a savings bank or savings and loan association, or exceeds 50% of the unimpaired capital and surplus of a credit union.

See Note 3 for further information.

Property Tax Receipts

The District must file its tax levy ordinance by the last Tuesday of December in each year. The District's 2023 levy ordinance was approved during the November 20, 2023 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of the real property on January 1 in any year is liable for taxes of that year. The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The District collects taxes shortly after the due dates, usually within 45 days.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

Personal Property Replacement Taxes

The Personal Property Replacement Tax represents an additional income tax for corporations (including certain utilities) and trusts; a new income tax for partnerships and Subchapter S corporations; and a new tax on invested capital for public utilities providing gas, communication, electrical and water services. Revenues collected under the replacement tax are held in a special fund in the State Treasury called the Personal Property Tax Replacement Fund. The monies are distributed to taxing districts in eight payments annually.

Monies received from the Personal Property Tax Replacement Fund shall be first applied towards payment of debt service or general obligation bonds outstanding as of December 31, 1978 and next applied toward payment to the proportionate share of Illinois Municipal Retirement obligations. Any remaining funds may be used for any corporate purpose for which personal property taxes are used at the discretion of the District.

Capital Assets

Government-Wide Statements

Capital assets, which include land, land improvements, buildings, furniture and equipment and library materials, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

	<u>Years</u>
Buildings	50
Land improvements	20
Furniture and equipment	5-15
Library materials	15

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as another financing source and payments of principal and interest are reported as expenditures.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the District. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District that originally created the commitment.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed or assigned for those purposes.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Prior Period Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted for all governmental funds on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year-end.

Prior to June 30, the District's administration submits to the District Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund.

The District is authorized to change budgeted amounts within any fund; however, revision must be approved by the members of the District Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function and department. The District management is authorized to transfer budget amounts between departments within any fund; however, the District Board must approve revisions that alter the total expenditures of any fund.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

Deficit Fund Balances

As of June 30, 2024, the following funds held a deficit fund balance:

Fund	Amount	Reason
Bond and interest	\$ 183,808	The first interest payment on bonds during fiscal year 2024 will be funded with 2023 property tax levy receipts received in fiscal year 2025.

3. Detailed Notes on the Fund

Deposits and Investments

The District's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Deposits	\$ 6,646,116	\$ 6,662,754	Custodial credit
Petty cash	500	-	N/A
Total deposits and investments	<u>\$ 6,646,616</u>	<u>\$ 6,662,754</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest bearing). In addition, if deposits are held at an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. At June 30, 2024, the District's deposits were fully insured and collateralized.

See Note 1 for further information on deposit and investment policies.

Interfund Receivables and Payables

At June 30, 2024 the District had an amount due from the Bond and Interest Fund in the amount of \$183,808 to the Construction Fund for the costs associated with interest payment on the newly issued bonds.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Construction in process	\$ 34,535	\$ 144,955	\$ -	\$ 179,490
Land	57,500	-	-	57,500
Total capital assets not being depreciated	<u>92,035</u>	<u>144,955</u>	<u>-</u>	<u>236,990</u>
Capital assets being depreciated:				
Land improvements	100,361	-	-	100,361
Buildings	702,392	-	-	702,392
Furniture and equipment	479,239	1,900	-	481,139
Library materials	520,584	-	-	520,584
Total capital assets being depreciated	<u>1,802,576</u>	<u>1,900</u>	<u>-</u>	<u>1,804,476</u>
Total capital assets	<u>1,894,611</u>	<u>146,855</u>	<u>-</u>	<u>2,041,466</u>
Less accumulated depreciation for:				
Land improvements	(100,361)	-	-	(100,361)
Buildings	(449,845)	(14,048)	-	(463,893)
Furniture and equipment	(479,239)	(1,900)	-	(481,139)
Library materials	(520,584)	-	-	(520,584)
Total accumulated depreciation	<u>(1,550,029)</u>	<u>(15,948)</u>	<u>-</u>	<u>(1,565,977)</u>
Net capital assets being depreciated	<u>252,547</u>	<u>(14,048)</u>	<u>-</u>	<u>238,499</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 344,582</u>	<u>\$ 130,907</u>	<u>\$ -</u>	<u>\$ 475,489</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

Library services	<u>\$ 15,948</u>
Total governmental activities depreciation expense	<u>\$ 15,948</u>

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

Long-Term Liabilities

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2023 General Obligation Library Bonds dated September 26, 2023 are due in annual installments through December 15, 2042	5.00 %	\$ 4,760,000	\$ 4,760,000
Series 2024 General Obligation Library Bonds dated January 4, 2024 are due in annual installments through December 15, 2027	3.80 %	740,000	740,000
Total		<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>

Annual debt service requirements to maturity for direct placement general obligation bonds are as follows for governmental type activities:

	Principal	Interest	Total
2025	\$ 135,000	\$ 263,555	\$ 398,555
2026	195,000	257,285	452,285
2027	200,000	249,780	449,780
2028	210,000	241,990	451,990
2029	220,000	232,500	452,500
2030-2034	1,280,000	981,250	2,261,250
2035-2039	1,635,000	618,875	2,253,875
2040-2043	1,625,000	167,125	1,792,125
Total	<u>\$ 5,500,000</u>	<u>\$ 3,012,360</u>	<u>\$ 8,512,360</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2024, the following is the long-term liability activity for the District:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ -	\$ 4,760,000	\$ -	\$ 4,760,000	\$ -
Direct placement general obligation bonds	-	740,000	-	740,000	135,000
Total long-term liabilities, governmental activities	<u>\$ -</u>	<u>\$ 5,500,000</u>	<u>\$ -</u>	<u>\$ 5,500,000</u>	<u>\$ 135,000</u>

Hodgkins Public Library District

Notes to Financial Statements

Year Ended June 30, 2024

4. Other Information

Employees' Retirement System

Illinois Municipal Retirement Fund

The District contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system. The benefits, benefits levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. This report can be obtained online at www.imrf.com.

Plan Description

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two-tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members 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 1-2/3% of their final rate of earnings for the first 15 years of service credit, plus 2% for each year of service 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 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

At December 31, 2023, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	5
Inactive, non-retired members	8
Active members	6
Total	<u>19</u>

Contributions

As set by statute, District employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2023 was 8.09% of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

Net Pension Liability (Asset)

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

Summary of Significant Accounting Policies

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

Actuarial Assumptions

The assumptions used to measure the total pension liability in the December 31, 2023 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, including inflation and (c) price inflation of 2.25%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality

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 were used. 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-2021 were used. 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-2021 were used.

Hodgkins Public Library District

Notes to Financial Statements

Year Ended June 30, 2024

Long-Term Expected Real Rate of Return

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

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	34.50 %	6.35 %	5.00 %
International equities	18.00	8.00	6.35
Fixed income	24.50	4.85	4.75
Real estate	10.50	7.20	6.30
Alternatives:	11.50	-	-
Private equity	-	12.35	8.65
Hedge funds	-	N/A	N/A
Commodities	-	7.20	6.05
Cash equivalents	1.00	3.80	3.80

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability (asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 1,047,326	\$ 925,735	\$ 828,440
Plan fiduciary net position	821,703	821,703	821,703
Net pension liability	\$ 225,623	\$ 104,032	\$ 6,737

Hodgkins Public Library District

Notes to Financial Statements

Year Ended June 30, 2024

Changes in Net Pension Liability (Asset)

The District's changes in net pension liability (asset) for the calendar year ended December 31, 2023 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at December 31, 2022	\$ 857,696	\$ 726,797	\$ 130,899
Service cost	22,140	-	22,140
Interest on total pension liability	61,190	-	61,190
Differences between expected and actual experience of the total pension liability	34,909	-	34,909
Change of assumptions	(679)	-	(679)
Benefit payments, including refunds of employee contributions	(49,521)	(49,521)	-
Contributions, employer	-	20,968	(20,968)
Contributions, employee	-	11,663	(11,663)
Net investment income	-	79,869	(79,869)
Other (net transfer)	-	31,927	(31,927)
Balance at December 31, 2023	<u>\$ 925,735</u>	<u>\$ 821,703</u>	<u>\$ 104,032</u>

Pension Expense

District pension income, as a part of the December 31, 2023 valuation, was \$51,107. For the year ended June 30, 2024, the District recognized pension expense of \$21,014.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The District purchases commercial insurance to provide coverage for losses from (torts; theft of, damage to or destruction of assets; errors and omission; workers compensation; and health care of its employees). However, other risks, such as (torts; theft of, damage to or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the District in the General Fund.

Hodgkins Public Library District

Notes to Financial Statements
Year Ended June 30, 2024

5. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model improvements*

When they become effective, application of these standards may restate portions of these financial statements.

OTHER INFORMATION SECTION

Hodgkins Public Library District

Illinois Municipal Retirement Fund

Schedule of Changes in the District's Net Pension Liability/(Asset) and Related Ratios

Ten Most Recent Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability						
Service cost	\$ 22,140	\$ 19,547	\$ 19,854	\$ -	\$ 20,052	\$ 16,427
Interest	61,190	58,045	60,195	58,335	64,879	61,856
Differences between expected and actual experience	34,909	7,527	(70,564)	(1,193)	(127,963)	25,329
Changes of assumptions	(679)	-	-	(14,875)	-	26,752
Benefit payments, including refunds of member contributions	(49,521)	(36,530)	(41,446)	(11,641)	(62,752)	(61,338)
Net change in total pension liability	\$ 68,039	\$ 48,589	(31,961)	30,626	(105,784)	69,026
Total Pension Liability, Beginning	<u>\$ 857,696</u>	<u>\$ 809,107</u>	<u>841,068</u>	<u>810,442</u>	<u>916,226</u>	<u>847,200</u>
Total Pension Liability, Ending (a)	<u>\$ 925,735</u>	<u>\$ 857,696</u>	<u>\$ 809,107</u>	<u>\$ 841,068</u>	<u>\$ 810,442</u>	<u>\$ 916,226</u>
Plan Fiduciary Net Position						
Employer contributions	\$ 20,968	\$ 22,713	\$ 17,424	\$ 30,267	\$ 16,045	\$ 23,469
Employee contributions	11,663	10,991	10,105	11,040	6,588	8,935
Net investment income	79,869	(101,520)	135,988	120,199	139,701	(50,466)
Benefit payments, including refunds of member contributions	(49,521)	(36,530)	(41,446)	(11,641)	(62,752)	(61,338)
Other (net transfer)	31,927	419	(83,070)	(166,107)	9,737	22,955
Net change in plan fiduciary net position	\$ 94,906	\$ (103,927)	39,001	(16,242)	109,319	(56,445)
Plan Fiduciary Net Position, Beginning	<u>726,797</u>	<u>830,724</u>	<u>791,723</u>	<u>807,965</u>	<u>698,646</u>	<u>755,091</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 821,703</u>	<u>\$ 726,797</u>	<u>\$ 830,724</u>	<u>\$ 791,723</u>	<u>\$ 807,965</u>	<u>\$ 698,646</u>
Employer's Net Pension Liability/(Asset), Ending (a) - (b)	<u>\$ 104,032</u>	<u>\$ 130,899</u>	<u>\$ (21,617)</u>	<u>\$ 49,345</u>	<u>\$ 2,477</u>	<u>\$ 217,580</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.76%	84.74%	102.67%	94.13%	99.69%	76.25%
Covered Payroll	\$ 259,182	\$ 244,236	\$ 224,544	\$ 208,608	\$ 146,399	\$ 198,553
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	40.14%	53.60%	-9.63%	23.65%	1.69%	109.58%

Notes to Schedule

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

Hodgkins Public Library District

Illinois Municipal Retirement Fund

Schedule of Changes in the District's Net Pension Liability/(Asset) and Related Ratios

Ten Most Recent Fiscal Years

	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 21,584	\$ 21,227	\$ 14,279	\$ 19,913
Interest	60,708	56,829	53,395	50,327
Differences between expected and actual experience	28,745	28,059	26,490	(9,818)
Changes of assumptions	(34,394)	(1,949)	885	33,626
Benefit payments, including refunds of member contributions	(56,184)	(53,126)	(50,196)	(50,332)
Net change in total pension liability	20,459	51,040	44,853	43,716
Total Pension Liability, Beginning	<u>826,741</u>	<u>775,701</u>	<u>730,848</u>	<u>687,132</u>
Total Pension Liability, Ending (a)	<u>\$ 847,200</u>	<u>\$ 826,741</u>	<u>\$ 775,701</u>	<u>\$ 730,848</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 20,007	\$ 21,627	\$ 21,283	\$ 20,363
Employee contributions	8,985	8,643	8,103	7,617
Net investment income	124,691	44,285	3,045	35,894
Benefit payments, including refunds of member contributions	(56,184)	(53,126)	(50,196)	(50,332)
Other (net transfer)	(13,083)	7,887	39,650	6,330
Net change in plan fiduciary net position	84,416	29,316	21,885	19,872
Plan Fiduciary Net Position, Beginning	<u>670,675</u>	<u>641,359</u>	<u>619,474</u>	<u>599,602</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 755,091</u>	<u>\$ 670,675</u>	<u>\$ 641,359</u>	<u>\$ 619,474</u>
Employer's Net Pension Liability/(Asset), Ending (a) - (b)	<u>\$ 92,109</u>	<u>\$ 156,066</u>	<u>\$ 134,342</u>	<u>\$ 111,374</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.13%	81.12%	82.68%	84.76%
Covered Payroll	\$ 199,667	\$ 192,070	\$ 180,068	\$ 151,612
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	46.13%	81.25%	74.61%	73.46%

Hodgkins Public Library District

Illinois Municipal Retirement Fund
 Schedule of District Contributions
 Ten Most Recent Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 20,968	\$ 22,174	\$ 17,425	\$ 26,243	\$ 16,045
Contributions in relation to the actuarially determined contribution	<u>(20,968)</u>	<u>(22,173)</u>	<u>(17,424)</u>	<u>(30,267)</u>	<u>(16,045)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (4,024)</u>	<u>\$ -</u>
Covered payroll	\$ 259,182	\$ 224,544	\$ 208,608	\$ 146,399	\$ 198,533
Contributions as a percentage of covered payroll	8.09%	9.87%	8.35%	20.67%	8.08%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 23,469	\$ 20,007	\$ 21,627	\$ 21,284	\$ 18,329
Contributions in relation to the actuarially determined contribution	<u>(23,469)</u>	<u>(20,007)</u>	<u>(21,627)</u>	<u>(21,283)</u>	<u>(20,363)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (2,034)</u>
Covered payroll	\$ 199,667	\$ 199,667	\$ 192,070	\$ 180,068	\$ 151,612
Contributions as a percentage of covered payroll	11.75%	10.02%	11.26%	11.82%	13.43%

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.25%
Salary increases	2.75% 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
Mortality	Pub-2010 Mortality Table, adjusted to match current IMRF experience

Other Information

There were no benefit changes during the year.

GENERAL FUND SCHEDULE

Hodgkins Public Library District

General Fund

Schedule of Cash Receipts, Expenditures and Changes in Fund Balance—Modified Cash Basis—Budget and Actual
Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Budget	2023 Actual
	Budget	Actual		
Receipts				
Real estate taxes	\$ 630,000	\$ 731,368	\$ 101,368	\$ 620,274
Personal property replacement taxes	80,000	59,589	(20,411)	90,469
Interest	20,000	29,240	9,240	19,012
Grants and donations	3,100	2,218	(882)	15,851
Other:				
Nonresident fees	6,000	7,209	1,209	6,884
Miscellaneous	10,825	19,375	8,550	20,671
Total receipts	<u>749,925</u>	<u>848,999</u>	<u>99,074</u>	<u>773,161</u>
Expenditures				
Personnel:				
Salaries	325,000	315,796	(9,204)	292,564
Staff development	8,000	6,446	(1,554)	6,848
Total personnel	<u>333,000</u>	<u>322,242</u>	<u>(10,758)</u>	<u>299,412</u>
Library services:				
SWAN fees	22,000	16,323	(5,677)	18,418
Books and periodicals	34,000	13,065	(20,935)	15,011
Grant expenditures	3,000	-	(3,000)	460
Electronic resource	10,000	4,974	(5,026)	7,657
Audio-visual	16,000	3,881	(12,119)	3,949
Printing	7,000	7,308	308	9,385
Postage	4,000	2,938	(1,062)	3,359
Supplies	8,000	3,824	(4,176)	6,125
Equipment	3,000	877	(2,123)	628
Programming	14,500	9,915	(4,585)	11,197
Computer services	2,500	6,709	4,209	-
Total library services	<u>124,000</u>	<u>69,814</u>	<u>(54,186)</u>	<u>76,189</u>
Administration:				
Legal fees	30,000	23,320	(6,680)	27,774
Legal notices	1,000	45	(955)	69
Contractual services	3,500	3,000	(500)	242
Travel	2,000	604	(1,396)	877
Accounting services	15,000	11,792	(3,208)	11,906
Audit fees	8,400	8,000	(400)	8,100
Bank fees	350	256	(94)	235
Contingency	1,500	-	(1,500)	-
Membership dues	2,000	1,689	(311)	1,310
Total administration	<u>63,750</u>	<u>48,706</u>	<u>(15,044)</u>	<u>50,513</u>

Hodgkins Public Library District

General Fund

Schedule of Cash Receipts, Expenditures and Changes in Fund Balance—Modified Cash Basis—Budget and Actual
Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Budget	2023 Actual
	Budget	Actual		
Physical facilities:				
Utilities	\$ 14,000	\$ 12,169	\$ (1,831)	\$ 11,959
Building design consultants	25,000	-	(25,000)	20,025
Telephone	11,000	5,945	(5,055)	7,035
Furniture	5,000	-	(5,000)	-
Supplies	4,000	2,731	(1,269)	4,186
Building maintenance	15,000	8,870	(6,130)	13,104
Building improvements	25,000	7,506	(17,494)	15,591
IT/Web services	62,000	51,747	(10,253)	50,573
Equipment	3,000	239	(2,761)	15,366
Total physical facilities	<u>164,000</u>	<u>89,207</u>	<u>(74,793)</u>	<u>137,839</u>
Municipal retirement:				
Employer's share of I.M.R.F.	<u>31,000</u>	<u>21,014</u>	<u>(9,986)</u>	<u>21,634</u>
Social security:				
Employer's share of Social Security	<u>24,000</u>	<u>24,214</u>	<u>214</u>	<u>22,392</u>
Insurance:				
Insurance	<u>106,000</u>	<u>90,707</u>	<u>(15,293)</u>	<u>89,796</u>
Total expenditures	<u>845,750</u>	<u>665,904</u>	<u>(179,846)</u>	<u>697,775</u>
Net change in fund balance	<u>\$ (95,825)</u>	<u>183,095</u>	<u>\$ 278,920</u>	<u>75,386</u>
Fund Balance, Beginning of Year		<u>1,051,210</u>		<u>975,824</u>
Fund Balance, End of Year		<u>\$ 1,234,305</u>		<u>\$ 1,051,210</u>

Hodgkins Public Library District

Five Year Summary of Assessed Valuations, Tax Rates

Extensions and Collections

June 30, 2024

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Valuation	<u>\$ 228,835,957</u>	<u>\$ 262,626,118</u>	<u>\$ 246,745,464</u>	<u>\$ 244,422,203</u>	<u>\$ 313,858,574</u>
Tax Rates					
Corporate	\$ 0.2490	\$ 0.2244	\$ 0.2480	\$ 0.2660	\$ 0.2165
Bonds & Interest	-	-	-	-	0.1512
IMRF	0.0008	0.0042	0.0005	-	0.0034
Social Security	0.0048	0.0042	0.0049	0.0040	0.0032
Auditing	0.0022	0.0019	0.0024	0.0028	0.0022
Liability Insurance	0.0044	0.0038	0.0036	-	0.0038
Levy Adjustment PA	-	-	0.0168	0.0066	0.0167
Workmen's Compensation	-	-	0.0008	0.0040	-
Unemployment Insurance	-	-	0.0005	-	-
Total	<u>\$ 0.2612</u>	<u>\$ 0.2385</u>	<u>\$ 0.2775</u>	<u>\$ 0.2834</u>	<u>\$ 0.3970</u>
Tax Extensions					
Corporate	\$ 569,750	\$ 589,450	\$ 611,850	\$ 650,120	\$ 679,500
Bonds & Interest	-	-	-	-	474,457
IMRF	1,848	11,000	1,196	-	10,585
Social Security	11,000	11,000	12,000	9,861	10,000
Auditing	5,000	5,000	6,000	6,901	7,000
Liability Insurance	10,000	10,000	9,000	-	12,000
Levy Adjustment PA	-	-	41,538	16,180	52,356
Workmen's Compensation	-	-	2,000	9,861	-
Unemployment Insurance	-	-	1,250	-	-
Total	<u>\$ 597,598</u>	<u>\$ 626,450</u>	<u>\$ 684,834</u>	<u>\$ 692,923</u>	<u>\$ 1,245,898</u>
Collections	<u>\$ 573,111</u>	<u>\$ 626,926</u>	<u>\$ 685,293</u>	<u>\$ 691,794</u>	<u>\$ 342,247</u>
Collected as a Percentage of the Total Tax Extension	95.90%	100.08%	100.07%	99.84%	27.47%