

WORTH PUBLIC LIBRARY DISTRICT

WORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

WORTH PUBLIC LIBRARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
WORTH PUBLIC LIBRARY DISTRICT
Worth, Illinois

Qualified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **WORTH 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, except for the effects of the matter described in the Basis for Qualified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinions.

Matter Giving Rise to the Qualified Opinions

The District did not have adequate internal controls over expenses/expenditures in the year ended June 30, 2025. For example:

- The Board did not approve all expenses/expenditures.
- Proper supporting documentation (i.e., vendor invoices) was not available for all expenses and expenditures.
- There was a lack of segregation of duties for processing payment of expenses/expenditures.

Accordingly, our audit opinions are qualified with respect to expenses/expenditures for the year ended June 30, 2025.

Since 1969 ■ *Members American Institute and Illinois Society of Certified Public Accountants*

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



O'NEILL & GASPARDO, LLC
Mokena, Illinois
November 10, 2025

WORTH PUBLIC LIBRARY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Worth Public Library District (the "District") we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2025. We encourage readers to read this information in conjunction with the District's financial statements.

Financial Highlights

The District's total net position at June 30, 2025 was \$1,691,682, an increase of \$143,641 from June 30, 2024.

The District's governmental activities had revenues of \$983,102 in the year ended June 30, 2025 compared to revenues of \$1,001,652 in the prior year. The District's governmental activities had expenses of \$839,461 in the year ended June 30, 2025 compared to expenses of \$838,725 in the prior year. This represented a 1.9% decrease in revenues and .1% increase in expenses.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the District's financial statements. The basic financial statements include the Governmental Funds Balance Sheet and Statement of Net Position, Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities, and Notes to Financial Statements. The District qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column on the face of the statements, which reconciles the fund-based statements to the government-wide statements.

Government-wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position includes all of the District's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Increases and decreases in net position serve as a useful indicator as to whether the financial position of the District as a whole is improving or deteriorating. Non-financial factors, such as changes in the District's property tax base and condition of the District's buildings and equipment, should be considered regarding the overall health of the District.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All revenues and expenses are included regardless of when cash is received or paid.

Fund Financial Statements

A fund is a group of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while all other funds are combined into a single aggregated presentation.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and the balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the short-term.

Both the Governmental Funds Balance Sheet and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to assist in understanding the difference between the government-wide and fund financial statements.

In addition to the basic financial statements, notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

Budgetary comparison schedules are also provided as required supplemental information, which is useful in comparing how District expenditures were made in comparison to budgeted amounts.

Condensed Statement of Net Position

	June 30, 2025	%	June 30, 2024	%	Change	%
Assets						
Current assets:						
Cash and investments	\$ 875,370	38.1%	\$ 1,294,063	58.0%	\$ (418,693)	-32.4%
Taxes receivable	488,743	21.3%	484,713	21.7%	4,030	0.8%
Total current assets	1,364,113	59.4%	1,778,776	79.7%	(414,663)	-23.3%
Net pension asset	41,646	1.8%	-	0.0%	41,646	-100.0%
Capital assets	751,386	32.7%	261,394	11.7%	489,992	187.5%
Total assets	2,157,145	94.0%	2,040,170	91.4%	116,975	5.7%
Deferred outflows of resources	138,312	6.0%	191,925	8.6%	(53,613)	-27.9%
Total assets and deferred outflows of resources	<u>\$ 2,295,457</u>	<u>100.0%</u>	<u>\$ 2,232,095</u>	<u>100.0%</u>	<u>\$ 63,362</u>	2.8%
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	\$ 21,416	3.5%	\$ 35,212	5.7%	\$ (13,796)	-39.2%
Deferred grant revenue	2,275	0.4%	11,870	1.9%	(9,595)	-80.8%
Total current liabilities	23,691	3.9%	47,082	7.6%	(23,391)	-49.7%
Accrued compensated absences	96,482	16.0%	18,890	3.1%	77,592	410.8%
Net pension liability	-	0.0%	32,995	5.3%	(32,995)	100.0%
Total liabilities	120,173	19.9%	98,967	16.0%	21,206	21.4%
Deferred inflows of resources:						
Pension related	2,981	0.5%	36,944	6.0%	(33,963)	-91.9%
Property taxes	480,621	79.6%	483,092	78.0%	(2,471)	-0.5%
Total deferred inflows of resources	483,602	80.1%	520,036	84.0%	(36,434)	-7.0%
Total liabilities and deferred inflows of resources	603,775	100.0%	619,003	100.0%	(15,228)	-2.5%
Net Position						
Net invested in capital assets	751,386	44.4%	261,394	16.2%	489,992	187.5%
Unrestricted	851,934	50.4%	1,282,776	79.5%	(430,842)	-33.6%
Restricted	88,362	5.2%	68,922	4.3%	19,440	28.2%
Total net position	<u>1,691,682</u>	<u>100.0%</u>	<u>1,613,092</u>	<u>100.0%</u>	<u>78,590</u>	4.9%
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,295,457</u>		<u>\$ 2,232,095</u>		<u>\$ 63,362</u>	2.8%

- Total cash decreased \$418,693 from June 30, 2024 to June 30, 2025 mainly due to the interior remodel project.
- The District's investment in capital assets was \$751,386 at June 30, 2025, which is an increase of \$489,992 from June 30, 2024 due to the interior remodel project. The District uses these capital assets to provide services to residents, so they are not available for future spending.
- Unrestricted net assets can be used for any purpose.
- Restricted net assets are resources restricted by tax levies to be used for certain purposes.

Condensed Statement of Activities

	July 1, 2024 to June 30, 2025		July 1, 2023 to June 30, 2024		Change	%
Revenues						
Property taxes	\$ 929,150	94.5%	\$ 918,185	91.7%	\$ 10,965	1.2%
Replacement taxes & grants	21,032	2.1%	48,425	4.8%	(27,393)	-56.6%
Other	25	0.0%	-	0.0%	25	0.0%
Fines and fees	1,286	0.1%	2,771	0.3%	(1,485)	-53.6%
Investment income	31,609	3.2%	32,271	3.2%	(662)	-2.1%
Total revenues	<u>983,102</u>	<u>100.0%</u>	<u>1,001,652</u>	<u>100.0%</u>	<u>(18,550)</u>	<u>-1.9%</u>
Expenses						
Cultural	819,082	97.6%	814,553	97.1%	4,529	0.6%
Capital outlay	20,379	2.4%	24,172	2.9%	(3,793)	-15.7%
Total expenses	<u>839,461</u>	<u>100.0%</u>	<u>838,725</u>	<u>100.0%</u>	<u>736</u>	<u>0.1%</u>
Change in net position	143,641		162,927		(19,286)	-11.8%
Net position, beginning of year	<u>1,548,041</u>		<u>1,450,165</u>		<u>97,876</u>	<u>6.7%</u>
Net position, end of year	<u>\$ 1,691,682</u>		<u>\$ 1,613,092</u>		<u>\$ 78,590</u>	<u>4.9%</u>

- The statement of activities shows the nature and source of the changes in net position. The above statement of activities summarizes the revenue and expenses of the District's governmental activities for the fiscal year ended June 30, 2025 compared to the prior year.
- Net position may serve, over time, as a useful indicator of the District's financial position. Total net position increased \$143,641 from June 30, 2024 to June 30, 2025 due to revenues exceeding expenses.

Budget

The District did not amend their budget during the fiscal year. The actual funds received for the general fund were \$875,120, which was \$89,030 lower than budgeted. Actual expenditures for the general fund of \$1,252,114 were \$1,065,516 lower than budgeted, due mainly to capital improvements being under budget and conservative spending practices.

Financial Analysis of District's Funds

	<u>General Fund</u>	<u>Special Reserve</u>	<u>Other Funds</u>	<u>Total</u>
Total revenues	\$ 857,120	\$ 4,005	\$ 121,977	\$ 983,102
Total expenditures	1,252,114	-	119,789	1,371,903
Change in fund balance	(394,994)	4,005	2,188	(388,801)
Fund balance at June 30, 2024	599,409	582,166	67,027	1,248,602
Fund balance at June 30, 2025	<u>\$ 204,415</u>	<u>\$ 586,171</u>	<u>\$ 69,215</u>	<u>\$ 859,801</u>

The General Fund balance is unassigned and can be used for any purpose. The Special Reserve Fund was created by the Board of Trustees to set aside funds for future repairs and maintenance for the District's building. Other Funds include restricted, committed, assigned and unassigned balances.

Capital Assets

The following summarizes capital assets:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Land	\$ 30,000	\$ 30,000
Building and grounds	1,434,464	930,278
Equipment	37,234	39,133
Library collection	198,029	224,377
Total capital assets	1,699,727	1,223,788
Less: accumulated depreciation	(948,341)	(962,394)
Net capital assets	<u>\$ 751,386</u>	<u>\$ 261,394</u>

The District's investment in capital assets increased \$489,992 from June 30, 2024, primarily due to the interior remodel project.

Additional information regarding capital assets may be found in the accompanying notes to the financial statements.

Debt

The District has no outstanding long-term debt.

Economic Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of the following circumstances that could significantly affect its financial health in the future.

- The District's service area is the same as the boundaries for the Village of Worth; as such the District's ability to generate tax receipts is directly linked to the Equalized Assessed Valuation (EAV) of the property within the Village of Worth.
- Library Systems in Illinois are funded by the State of Illinois. Despite the State's financial constraints, system funds seem to be arriving in a more timely fashion. Resource sharing, delivery of materials, and continuing education continue to be the system's highest priorities for service. RAILS (Reaching Across Illinois Library System) provides a variety of continuing education training opportunities for its members. Most training is offered online or as archived recordings which saves staff time and does not require mileage reimbursement.
- Pursuant to the District's Capital Plan, anticipated capital improvements of additional interior upgrades.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Librarian, Worth Public Library District, 6917 W. 111th Street, Worth, Illinois 60482.

End of Management's Discussion and Analysis

WORTH PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

June 30, 2025

	<u>General</u>	<u>Special Reserve</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:						
Current:						
Cash and investments	\$ 148,951	\$ 586,171	\$ 140,248	\$ 875,370	\$ -	\$ 875,370
Property tax receivables	426,061	-	60,032	486,093	-	486,093
Replacement tax receivable	2,650	-	-	2,650	-	2,650
Interfund balances	71,706	-	-	71,706	(71,706)	-
Total current assets	<u>649,368</u>	<u>586,171</u>	<u>200,280</u>	<u>1,435,819</u>	<u>(71,706)</u>	<u>1,364,113</u>
Noncurrent:						
Net pension asset	-	-	-	-	41,646	41,646
Land (not depreciated)	-	-	-	-	30,000	30,000
Other capital assets, net of depreciation	-	-	-	-	721,386	721,386
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>793,032</u>	<u>793,032</u>
Deferred outflows of resources:						
Pension related	-	-	-	-	138,312	138,312
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,312</u>	<u>138,312</u>
Total assets and deferred outflows of resources	<u>\$ 649,368</u>	<u>\$ 586,171</u>	<u>\$ 200,280</u>	<u>\$ 1,435,819</u>	<u>\$ 859,638</u>	<u>\$ 2,295,457</u>

WORTH PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

June 30, 2025

	<u>General</u>	<u>Special Reserve</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Liabilities:						
Current:						
Accounts payable	\$ 5,852	\$ -	\$ -	\$ 5,852	\$ -	\$ 5,852
Accrued payroll	15,564	-	-	15,564	-	15,564
Deferred grant revenue	2,275	-	-	2,275	-	2,275
Interfund balances	-	-	71,706	71,706	(71,706)	-
Accrued compensated absences	-	-	-	-	96,482	96,482
Total current liabilities	<u>23,691</u>	<u>-</u>	<u>71,706</u>	<u>95,397</u>	<u>24,776</u>	<u>120,173</u>
Deferred inflows of resources:						
Pension related	-	-	-	-	2,981	2,981
Unearned property tax revenue	421,262	-	59,359	480,621	-	480,621
Total deferred inflows of resources	<u>421,262</u>	<u>-</u>	<u>59,359</u>	<u>480,621</u>	<u>2,981</u>	<u>483,602</u>
Fund balances/net position						
Fund balances:						
Nonspendable	71,706	-	-	71,706	(71,706)	-
Restricted	-	-	88,362	88,362	(88,362)	-
Committed	-	586,171	-	586,171	(586,171)	-
Assigned	-	-	52,278	52,278	(52,278)	-
Unassigned	132,709	-	(71,425)	61,284	(61,284)	-
Total fund balances	<u>204,415</u>	<u>586,171</u>	<u>69,215</u>	<u>859,801</u>	<u>(859,801)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 649,368</u>	<u>\$ 586,171</u>	<u>\$ 200,280</u>	<u>\$ 1,435,819</u>		<u>\$ 603,775</u>
Net position:						
Net investment in capital assets					751,386	751,386
Unrestricted					851,934	851,934
Restricted					88,362	88,362
Total net position					<u>\$ 1,691,682</u>	<u>\$ 1,691,682</u>

WORTH PUBLIC LIBRARY DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2025

Fund balances - governmental funds	\$ 859,801
Assets are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.	
Capital assets	751,386
Net pension asset	41,646
Net deferred outflows/inflows of resources related to IMRF pension are not a current financial resource and therefore are not reported on the Governmental Funds Balance Sheet.	
	135,331
Long-term liabilities are not due and payable in the current period and therefore are not reported on the Governmental Funds Balance Sheet.	
Accrued compensated absences	<u>(96,482)</u>
Net position of governmental activities	<u><u>\$ 1,691,682</u></u>

WORTH PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	<u>General</u>	<u>Special Reserve</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:						
Property taxes	\$ 809,603	\$ -	\$ 119,547	\$ 929,150	\$ -	\$ 929,150
Replacement taxes	6,437	-	-	6,437	-	6,437
Operating grants	14,595	-	-	14,595	-	14,595
Fines and fees (charges for services)	1,286	-	-	1,286	-	1,286
Investment income	25,174	4,005	2,430	31,609	-	31,609
Donations	25	-	-	25	-	25
Total revenues	<u>857,120</u>	<u>4,005</u>	<u>121,977</u>	<u>983,102</u>	<u>-</u>	<u>983,102</u>
Expenditures/expenses:						
Current:						
Cultural	747,331	-	119,789	867,120	(48,038)	819,082
Capital outlay	<u>504,783</u>	<u>-</u>	<u>-</u>	<u>504,783</u>	<u>(484,404)</u>	<u>20,379</u>
Total expenditures/expenses	<u>1,252,114</u>	<u>-</u>	<u>119,789</u>	<u>1,371,903</u>	<u>(532,442)</u>	<u>839,461</u>
Net change in fund balances/net position	(394,994)	4,005	2,188	(388,801)	532,442	143,641
Fund balances/net position:						
Beginning of year	<u>599,409</u>	<u>582,166</u>	<u>67,027</u>	<u>1,248,602</u>	<u>299,439</u>	<u>1,548,041</u>
End of year	<u>\$ 204,415</u>	<u>\$ 586,171</u>	<u>\$ 69,215</u>	<u>\$ 859,801</u>	<u>\$ 831,881</u>	<u>\$ 1,691,682</u>

WORTH PUBLIC LIBRARY DISTRICT

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

Year Ended June 30, 2025

Net change in fund balances - governmental funds \$ (388,801)

Governmental funds report capital outlays as expenditures.
However, on the Statement of Activities, the cost of these assets is
depreciated over their estimated useful lives.

Expenditures for capital assets in the current year	\$ 558,489	
Current year depreciation	<u>(68,497)</u>	
Total adjustments		489,992

Some expenses reported on the Statement of Activities do not
require the use of current financial resources and therefore are not
reported as expenditures in governmental funds.

Change in accrued compensated absences from the prior year	(12,541)	
Change in net deferred outflows/inflows of resources for IMRF pension plan from the prior year	(19,650)	
Change in net pension liability/asset from the prior year	<u>74,641</u>	
Total adjustments		<u>42,450</u>

Change in net position of governmental activities \$ 143,641

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

WORTH PUBLIC LIBRARY DISTRICT (the “District”) is located in Worth, Illinois. The District was organized under state law to provide cultural and library services to local residents.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

A. Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature of significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based upon these criteria, there are no agencies or entities whose financial data should be combined with and included in the financial statements of the District. Also, the District is not considered a component unit of any other government entity.

B. Basis of Presentation

The fund and government-wide financial statements are combined, with a reconciliation shown between them. Therefore, the Governmental Funds Balance Sheet and Statement of Net Position are combined, and the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities are combined. The government-wide statements are designed to report the District’s financial position and results of operations as a whole. The fund financial statements are designed to demonstrate legal compliance and to aid financial management by segregating transactions by fund. Program revenues include fines and fees (charges for service), operating grants and donations.

Major individual governmental funds are reported as separate columns on the fund financial statements and all other funds are combined under a single column. The major funds are the General, and Special Reserve Funds. Following is a brief description of the major funds used by the District.

General Fund – The General Fund is the general operating fund of the District and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. In addition, general operating expenditures and the capital improvement costs that are not paid through other funds are paid from this fund.

Special Reserve Fund – The Special Reserve Fund is used for property, building, building renovations and equipment purchases.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Accounting

The government-wide statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Property taxes are recognized as revenue in the year in which they are intended to finance.

Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund equity. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter (defined as within 60 days after the fiscal year-end) to be used to pay liabilities of the current period. Material revenues susceptible to accrual include real estate tax, replacement tax and grant revenue. Expenditures are recognized when the related fund liability is incurred.

D. Investments

Investments consist of investments held in an Illinois Funds Money Market account and are carried at cost, which approximates market.

E. Capital Assets

The accounting treatment for property, plant, and equipment (capital assets) depends on whether the assets are reported on the government-wide or fund financial statements.

On the government-wide financial statements capital assets are valued at historical cost, or the estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at the estimated fair value at the date of donation. Depreciation of all exhaustible capital assets is recorded as a cultural expense on the Statement of Activities, with accumulated depreciation reflected on 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:

Building and grounds	7 – 54 years
Equipment	5 – 10 years
Library collection (books and audio-visual)	5 years

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The minimum capitalization threshold is any item with a total cost greater than \$2,500, except for purchases of books and audio-visual, which are always capitalized.

On the fund financial statements, capital assets are accounted for as expenditures of the governmental fund upon acquisition.

F. Compensated Absences

The District's personnel policy permits employees to accumulate earned but unused paid time off. On the fund financial statements, paid time off is recorded in the General Fund when payable (i.e., upon resignation or retirement). On government-wide financial statements, paid time off is recorded when earned.

G. Deferred Outflows/Inflows of Resources

The District reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to future fiscal years, so will not be recognized as an outflow of resources (expenditure or expense) on the Statement of Activities until then. The District only has one item that qualifies for reporting in this category, the outflows related to the pension, which represents pension items that will be recognized in future periods.

The District also reports deferred inflows of resources on its Governmental Funds Balance Sheet and Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to future fiscal years, so they will not be recognized as an inflow of resources (revenue or reduction of expenditure or expense) on the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities until then. The District has two items that qualify for reporting in this category:

- Deferred inflows related to pensions, which represent pension items that will be recognized in future periods.
- Levied property taxes intended to finance the next fiscal year, which will be recognized as revenue in the next fiscal year.

H. Property Taxes

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a levy ordinance by its Board. Property taxes are recognized as a receivable at the time they are levied. Property tax revenues are recognized in the fiscal year they are intended to finance. In addition, revenue under the modified accrual basis (fund financial statements) is not recognized unless it is also available (collected within 60 days after fiscal year end). Property tax collections and property taxes receivable not recognized as revenue are reported as deferred inflows of resources. Property tax revenues on the fund financial statements are allocated to each fund in accordance with the applicable fund levy amounts.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The second installment of the 2023 levy and the first installment of the 2024 levy were intended to finance the fiscal year ended June 30, 2025. Therefore, the property taxes collected within 60 days of June 30, 2025 for these installments of these levies have been recorded as revenue, along with collections of prior levies. The second installment of the 2024 levy is intended to finance the fiscal year ending June 30, 2026. Therefore, the property taxes receivable of this levy as of June 30, 2025 has been recorded as a deferred inflow of resources.

The District recorded an allowance for uncollectible property taxes of 2.95% of the 2024 levy (\$29,417). All uncollected taxes relating to prior years' levies have been written off.

Significant dates for the 2024 levy are as follows:

Lien date	January 1, 2024
Levy date	November 12, 2024
First installment due	March 4, 2025
Second installment due	December 15, 2025

Property taxes are billed and collected by the Illinois Cook County Treasurer. Property tax bills are typically mailed at least 30 days prior to due dates. Substantially all of the collected taxes for the 2024 tax levy will be received by the District between March 2025 and December 2025.

I. Elimination and Reclassifications

In the process of aggregating data for the government-wide Statement of Activities and Statement of Net Position, some amounts reported as interfund activity and interfund receivables and payables on the fund financial statements may be eliminated or reclassified.

J. Fund Balance

Equity is classified as fund balance on the fund financial statements and displayed in five components:

- Nonspendable includes amounts not in spendable form, such as the principal portion of the Working Cash Fund or amounts required to be maintained intact legally or contractually.
- Restricted includes amounts constrained for a specific purpose by external parties.
- Committed includes amounts constrained for a specific purpose by a government using its highest level of decision making authority (the Board of Trustees for the District). This formal action must occur prior to the end of the reporting period, but the amount of the committed balance may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Trustees that originally created the commitment.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- Assigned includes General Fund amounts constrained for a specific purpose by the Board of Trustees or by an official who has been delegated authority to assign amounts. The Board of Trustees has not delegated this authority as of June 30, 2025. Additionally, all remaining positive spendable amounts in government funds other than the General Fund that are neither restricted nor committed, are considered assigned. Assignments may take place after the end of the reporting period.
- 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 exceed amounts restricted, committed, or assigned for those specific purposes.

In circumstances where an expenditure relates to amounts available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed, assigned and unassigned fund balances.

K. Net Position

Net position represents the difference between assets and liabilities. 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 position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District uses restricted resources when an expense is incurred before using unrestricted resources.

L. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2. DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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 $\frac{3}{8}$ % 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 ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 $\frac{3}{8}$ % 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2. 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	10
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	7
Total	<u><u>21</u></u>

Contributions

As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2024 was 4.73% of members' wages. For the fiscal year ended on June 30, 2025, the District contributed \$18,138 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

The District's net pension liability was measured as of December 31, 2024. The total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of that date. The amount is included in noncurrent liabilities on the statement of net position.

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 the years 2020 to 2022.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

- **Mortality** – For non-disabled 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. 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.
- 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 as of December 31, 2024:

<u>Asset class</u>	<u>Portfolio target percentage</u>	<u>Long-term expected real rate of return</u>
Domestic equity	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85-6.25%
Cash equivalents	1.00%	3.60%
Total	100.00%	

No changes were made to the District's assumptions.

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2024. 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 that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

- 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
- 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 that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension 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 fiduciary net position (B)	Net pension liability (asset) (A) - (B)
Balances at December 31, 2023	\$ 2,003,088	\$ 1,970,093	\$ 32,995
Changes for the year:			
Service cost	29,369	-	29,369
Interest on the total pension liability	142,751	-	142,751
Differences between expected and actual experience of the total pension liability	43,716	-	43,716
Changes of assumptions	-	-	-
Contributions - employer	-	16,507	(16,507)
Contributions - employee	-	15,704	(15,704)
Net investment income	-	186,643	(186,643)
Benefits payments, including refunds of employee contributions	(97,586)	(97,586)	-
Other (net transfers)	-	71,623	(71,623)
Net changes	<u>118,250</u>	<u>192,891</u>	<u>(74,641)</u>
Balances at December 31, 2024	<u>\$ 2,121,338</u>	<u>\$ 2,162,984</u>	<u>\$ (41,646)</u>

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Single Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,355,866	\$ 2,121,338	\$ 1,927,361
Plan fiduciary net position	2,162,984	2,162,984	2,162,984
Net pension liability / (asset)	\$ 192,882	\$ (41,646)	\$ (235,623)

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

For the year ended June 30, 2025, the District recognized a pension expense of \$36,854. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred amounts related to pensions	Deferred outflows of resources	Deferred inflows of resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 66,269	\$ -
Changes of assumptions	-	2,981
Net difference between projected and actual earnings on pension plan investments	62,355	-
Total deferred amounts to be recognized in pension expense in future periods	128,624	2,981
<i>Pension contributions made subsequent to the measurement date</i>	9,688	-
Total deferred amounts related to pensions	\$ 138,312	\$ 2,981

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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

<u>Year ending December 31,</u>	<u>Net deferred outflows of resources</u>
2025	\$ 73,625
2026	78,546
2027	(17,811)
2028	(8,717)
2029	-
Thereafter	-
Total	<u>\$ 125,643</u>

NOTE 3. CASH AND INVESTMENTS

Reconciled cash and investments were as follows at June 30, 2025:

Petty cash	\$ 191
CIBC Bank - checking accounts	231,267
Illinois Funds (investment pool - does not require categorization)	643,912
Total cash and investments	<u>\$ 875,370</u>

The District's investment policy (the "policy") authorizes the District to invest in obligations of the U.S. Government and its agencies, interest-bearing savings account, certain short-term obligations of U.S. corporations, money market mutual funds, certificates of deposit, Illinois Public Treasurer's Investment Pool (Illinois Funds), and other securities authorized by the Illinois Public Funds Investment Act.

The District's deposits and investments are subject to the following risks:

- Custodial credit risk is the risk that the District will not be able to recover its deposits with financial institutions in the event of the failure of the financial institutions. The District's policy limits this risk by only allowing deposits in Federally Insured or Licensed Institutions Permitted to Hold Public Funds, provided that such investments shall not exceed federal insurance limits. Uninsured investments shall be collateralized by securities or mortgages in an amount equal to at least fair market value of the uninsured amount.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 3. CASH AND INVESTMENTS – Continued

- Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations, resulting in investment losses by the District. The District’s investment policy limits its exposure to credit risk by only allowing investments in Illinois Funds, certificates of deposit, Treasury Bills and other securities guaranteed by the U.S. Government and any other investments under Illinois State Law.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s policy does not limit the term of investments to specific maturities.
- Concentration of credit risk is the risk of loss attributed to funds being concentrated in a limited number of investments. The District’s investment policy does not restrict the amount of investments in any one investment. All the District’s investments are in Illinois Funds.

Illinois Funds

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 operates in a manner consistent with Rule 2(a)7 of the Investment Company Act of 1940. Illinois Funds is rated AAAm by Standard & Poor’s. Investments in Illinois Funds are valued at Illinois Funds’ share price, which is the price the investment could be sold. Illinois Funds issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained on-line at www.treasurer.il.gov.

The District’s deposits with financial institutions were categorized as follows at June 30, 2025:

Insured by federal depository insurance	<u>\$ 241,417</u>
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NOTE 4. RISK OF LOSS

The District is exposed to various risks of loss through property ownership, employee injury, liability of employees, actions of elected officials and other risks. The District has membership with Libraries of Illinois Risk Agency (“LIRA”) to overcome these risks. LIRA is a cooperative agency voluntarily established by contracting public libraries, library districts, library systems and other units of government pursuant to Article VII, Section 10 of the 1970 Constitution of the State of Illinois and 5 ILCS 220/6 of the Illinois Compiled Statutes for the purpose of seeking prevention or reduction of casualty losses to governmental properties and injuries to persons or property which might result in claims being made against Member units, their officers, and employees.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 4. RISK OF LOSS – Continued

The relationship, including rights and responsibilities of the District and LIRA, is governed by an intergovernmental contract, which may be obtained from the District. In accordance with this contract, the District is obligated to report claims on a timely basis, follow risk management procedures adopted by LIRA, provide necessary information to LIRA, cooperate with LIRA's attorneys and staff and timely pay all contributions. LIRA has a Board of Directors that is responsible for administering the intergovernmental contract and managing the operating and reserve funds. The Board of Directors is elected or appointed by LIRA members, including the District.

There were no significant reductions in insurance coverage during the fiscal year ended June 30, 2025, and claims have not exceeded coverage in the last three years.

The District also participates in the Library Insurance Management and Risk Control Combination, LIMRCC, which is a public entity risk pool (the pool), for unemployment and health insurance coverage. The District is responsible for monthly and quarterly payments and the pool is responsible for administering the program. If funds in the program are insufficient in the judgment of the pool, then the pool may assess the member's additional payments.

NOTE 5. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended June 30, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not depreciable:				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Total capital assets, not depreciable	30,000	-	-	30,000
Capital assets, depreciable:				
Building and grounds	930,278	527,094	(22,908)	1,434,464
Equipment	39,133	-	(1,899)	37,234
Library collection	224,377	31,395	(57,743)	198,029
Total capital assets, depreciable	1,193,788	558,489	(82,550)	1,669,727
Less accumulated depreciation for:				
Building	(811,943)	(23,269)	22,908	(812,304)
Equipment	(29,927)	(2,987)	1,899	(31,015)
Library collection	(120,524)	(42,241)	57,743	(105,022)
Total accumulated depreciation	(962,394)	(68,497)	82,550	(948,341)
Capital assets, net	\$ 261,394	\$ 489,992	\$ -	\$ 751,386

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Current Year Changes</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Other liabilities:				
Accrued compensated absences	\$ 83,941	\$ 12,541	\$ 96,482	\$ 96,482
Total long-term liabilities	<u>\$ 83,941</u>	<u>\$ 12,541</u>	<u>\$ 96,482</u>	<u>\$ 96,482</u>

NOTE 7. FUND BALANCE CLASSIFICATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including:

The following funds had deficit balances at June 30, 2025:

Non-major fund: Liability Insurance Fund	<u>\$ (14,037)</u>
Non-major fund: Audit Fund	<u>\$ (7,387)</u>
Non-major fund: Library Building Fund	<u>\$ (50,001)</u>

The following interfund balances existed as of June 30, 2025:

Due from Liability Insurance to General Fund	<u>\$ 14,099</u>
Due from Audit Fund to General Fund	<u>\$ 7,434</u>
Due from Library Building Fund to General Fund	<u>\$ 50,173</u>

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the government funds at June 30, 2025:

	<u>General</u>	<u>Special Reserve</u>	<u>Other Funds</u>
Fund balance:			
Nonspendable for:			
Short-term loans to other funds			
Interfund loans	\$ 71,706	\$ -	\$ -
Restricted due to enabling legislation (tax levy):			
Social Security	-	-	24,225
IMRF	-	-	51,591
Unemployment compensation	-	-	1,814
Workers' compensation	-	-	10,732
Committed by Board of Trustees:			
Special projects	-	586,171	-
Assigned for:			
Future operating expenditures	-	-	52,278
Unassigned:			
General	132,709	-	-
Liability insurance	-	-	(14,037)
Audit	-	-	(7,387)
Library building	-	-	(50,001)
Total fund balances	<u>\$ 204,415</u>	<u>\$ 586,171</u>	<u>\$ 69,215</u>

NOTE 9. RESTRICTED NET POSITION

The following is a schedule of restricted net position on the Statement of Net Position at June 30, 2025. These balances are restricted by tax levies.

Social Security	\$ 24,225
IMRF	51,591
Unemployment compensation	1,814
Workers' compensation	10,732
Total	<u>\$ 88,362</u>

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 10. RESTATEMENT OF NET POSITION

In the year ending June 30, 2025, the District adopted GASB Statement No. 101, which requires the accrual of more compensated absences. The adoption of this standard resulted in a \$65,051 reduction of beginning net position for the year ended June 30, 2025.

NOTE 11. SUBSEQUENT EVENTS

The District has evaluated events subsequent to June 30, 2025 for possible adjustment or disclosure to the accompanying financial statements. This evaluation was done through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

***REQUIRED
SUPPLEMENTARY INFORMATION***

WORTH PUBLIC LIBRARY DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

Year Ended June 30, 2025

	Original / Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 906,000	\$ 809,603	\$ (96,397)
Other revenues:			
Replacement taxes		6,437	
Operating grants		14,595	
Fines and fees (charges for services)		1,286	
Investment income		25,174	
Donations		25	
Total other revenues	40,150	47,517	7,367
Total revenues	946,150	857,120	(89,030)
Expenditures:			
Cultural:			
Salaries	585,000	441,825	(143,175)
Books	70,000	25,321	(44,679)
Programming	26,000	18,902	(7,098)
Periodicals	9,000	5,749	(3,251)
Audio visual	4,800	6,074	1,274
Postage	2,600	218	(2,382)
Utilities	45,000	18,621	(26,379)
Office and library supplies	17,400	10,372	(7,028)
Publishing and printing	17,000	18,436	1,436
Staff development	3,800	610	(3,190)
Board development	2,800	-	(2,800)
Dues	3,400	275	(3,125)
Reciprocal borrowing delinquencies	3,200	222	(2,978)
Professional services	38,000	45,394	7,394
Legal services	17,400	1,212	(16,188)
Treasurer's bond	1,800	530	(1,270)
Copy machine	3,640	4,434	794
Databases and online resources	26,000	10,329	(15,671)
Computer maintenance	64,000	75,554	11,554
Health insurance	95,000	56,652	(38,348)
Contingency	6,000	60	(5,940)
Fax tax	540	-	(540)
Donations	6,000	6,181	181
Memorial book purchases	400	-	(400)
Direct deposit fee	2,250	-	(2,250)
Bank Charges	-	360	360
Personal protective equipment	1,000	-	(1,000)
Total cultural expenditures	1,052,030	747,331	(304,699)

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WORTH PUBLIC LIBRARY DISTRICT

GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL Year Ended June 30, 2025

Continued from previous page ...

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Capital outlay:			
Computer equipment	36,800	18,742	(18,058)
Purchase of furniture	11,400	578	(10,822)
Equipment	17,400	-	(17,400)
Capital improvements	<u>1,200,000</u>	<u>485,463</u>	<u>(714,537)</u>
Total capital outlay	<u>1,265,600</u>	<u>504,783</u>	<u>(760,817)</u>
Total expenditures	<u>2,317,630</u>	<u>1,252,114</u>	<u>(1,065,516)</u>
Net change in fund balance	<u>\$ (1,371,480)</u>	(394,994)	<u>\$ 976,486</u>
Fund balance, beginning		<u>599,409</u>	
Fund balance, ending		<u>\$ 204,415</u>	

WORTH PUBLIC LIBRARY DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

June 30, 2025

Calendar year ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 29,369	\$ 40,433	\$ 40,190	\$ 40,513	\$ 40,482	\$ 39,109	\$ 33,185	\$ 36,459	\$ 36,439	\$ 35,656
Interest on total pension liability	142,751	129,773	132,429	128,944	119,148	112,024	104,860	100,449	95,001	89,592
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience of total pension liability	43,716	98,498	(153,321)	(82,228)	10,466	(32,146)	(17,568)	(11,525)	(36,814)	(32,249)
Changes of assumptions	-	(7,025)	-	-	(12,946)	-	45,989	(41,546)	(3,567)	3,412
Benefit payments, including refunds of employee contributions	(97,586)	(56,690)	(55,426)	(22,567)	(21,521)	(21,312)	(23,490)	(23,275)	(20,356)	(22,235)
Net change in total pension liability	118,250	204,989	(36,128)	64,662	135,629	97,675	142,976	60,562	70,703	74,176
Total pension liability - beginning	2,003,088	1,798,099	1,834,227	1,769,565	1,633,936	1,536,261	1,393,285	1,332,723	1,262,020	1,187,844
Total pension liability - ending (A)	\$ 2,121,338	\$ 2,003,088	\$ 1,798,099	\$ 1,834,227	\$ 1,769,565	\$ 1,633,936	\$ 1,536,261	\$ 1,393,285	\$ 1,332,723	\$ 1,262,020
Plan fiduciary net position:										
Contributions - employer	\$ 16,507	\$ 19,484	\$ 30,128	\$ 32,251	\$ 33,356	\$ 27,764	\$ 33,295	\$ 34,134	\$ 32,712	\$ 31,160
Contributions - employee	15,704	19,747	20,433	16,759	16,922	15,977	14,968	14,396	13,835	13,667
Net investment income	186,643	173,662	(240,445)	303,104	224,773	246,583	(61,325)	203,820	76,804	5,760
Benefit payments, including refunds of employee contributions	(97,586)	(56,690)	(55,426)	(22,567)	(21,521)	(21,312)	(23,490)	(23,275)	(20,356)	(22,235)
Other (net transfer)	71,623	74,114	(248,560)	(6,918)	3,153	(14,014)	(514)	(8,557)	5,462	(61,726)
Net change in plan fiduciary net position	192,891	230,317	(493,870)	322,629	256,683	254,998	(37,066)	220,518	108,457	(33,374)
Plan fiduciary net position - beginning	1,970,093	1,739,776	2,233,646	1,911,017	1,654,334	1,399,336	1,436,402	1,215,884	1,107,427	1,140,801
Plan fiduciary net position - ending (B)	\$ 2,162,984	\$ 1,970,093	\$ 1,739,776	\$ 2,233,646	\$ 1,911,017	\$ 1,654,334	\$ 1,399,336	\$ 1,436,402	\$ 1,215,884	\$ 1,107,427
Net pension liability (asset) - ending (A) - (B)	\$ (41,646)	\$ 32,995	\$ 58,323	\$ (399,419)	\$ (141,452)	\$ (20,398)	\$ 136,925	\$ (43,117)	\$ 116,839	\$ 154,593
Plan fiduciary net position as a percentage of the total pension liability	101.96%	98.35%	96.76%	121.78%	107.99%	101.25%	91.09%	103.09%	91.23%	87.75%
Covered valuation payroll ¹	\$ 348,980	\$ 438,823	\$ 409,352	\$ 372,417	\$ 376,052	\$ 355,037	\$ 332,624	\$ 319,911	\$ 307,451	\$ 303,705
Net pension liability as a percentage of covered valuation payroll	-11.93%	7.52%	14.25%	-107.25%	-37.62%	-5.75%	41.17%	-13.48%	38.00%	50.90%

Notes to schedule:

¹ Does not necessarily represent Covered-Employee Payroll as define in GASB Statement No. 68.

WORTH PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2025

Calendar year ended December 31,	Actuarially determined contribution (a)	Actual contribution (b)	Contribution deficiency (excess) (b-a)	Covered valuation payroll (c)	Actual contribution as a percentage of covered valuation payroll (b/c)
2024	\$ 16,507	\$ 16,507	\$ -	\$ 348,980	4.73%
2023	19,484	19,484	-	438,823	4.44%
2022	30,128	30,128	-	409,352	7.36%
2021	32,251	32,251	-	372,417	8.66%
2020	33,356	33,356	-	376,052	8.87%
2019	27,764	27,764	-	355,037	7.82%
2018	33,296	33,295	1	332,624	10.01%
2017	34,135	34,134	1	319,911	10.67%
2016	32,713	32,712	1	307,451	10.64%
2015	31,160	31,160	-	303,705	10.26%

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

NOTE 1. BUDGETS

Budgets for funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used to establish the budgets:

- (a) The District's Director submits a proposed operating budget to the Board of Trustees for approval.
- (b) The Board of Trustees makes any adjustments to the budget deemed necessary and approves the proposed budget and appropriation ordinance.
- (c) Notice is published in a newspaper that the tentative Annual Budget and Appropriation Ordinance of the District is available for inspection and then is subsequently presented at a public hearing.
- (d) The District's Board of Trustees adopts the Annual Budget and Appropriation Ordinance after the public hearing.

Expenditures may not legally exceed the budgeted appropriations at the fund level. The budget may be amended by the District's Board of Trustees. There were no amendments to the budget for the year ended June 30, 2025.

NOTE 2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Expenditures did not exceed the appropriations for the year ended June 30, 2025 for the General Fund.

WORTH PUBLIC LIBRARY DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

NOTE 3. SCHEDULE OF EMPLOYER CONTRIBUTION

*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 non-disabled 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. There is a two year lag between valuation and rate setting.

SUPPLEMENTARY INFORMATION

WORTH PUBLIC LIBRARY DISTRICT

**OTHER FUNDS
COMBINING BALANCE SHEET**

June 30, 2025

	SPECIAL REVENUE FUNDS						PERMANENT FUND	Total	
	Social Security	IMRF	Liability Insurance	Audit	Unemploy. Comp.	Library Building	Workers' Compens.		Working Cash
Assets:									
Cash and investments	\$ 24,011	\$ 51,430	\$ -	\$ -	\$ 1,813	\$ -	\$ 10,716	\$ 52,278	\$ 140,248
Property tax receivables	19,044	14,398	5,573	4,180	116	15,327	1,394	-	60,032
Total assets	<u>\$ 43,055</u>	<u>\$ 65,828</u>	<u>\$ 5,573</u>	<u>\$ 4,180</u>	<u>\$ 1,929</u>	<u>\$ 15,327</u>	<u>\$ 12,110</u>	<u>\$ 52,278</u>	<u>\$ 200,280</u>
Liabilities:									
Interfund balances	\$ -	\$ -	\$ 14,099	\$ 7,434	\$ -	\$ 50,173	\$ -	\$ -	\$ 71,706
Total liabilities	-	-	14,099	7,434	-	50,173	-	-	71,706
Deferred inflows of resources:									
Unearned property tax revenue	18,830	14,237	5,511	4,133	115	15,155	1,378	-	59,359
Total deferred inflows of resources	18,830	14,237	5,511	4,133	115	15,155	1,378	-	59,359
Fund balances:									
Restricted	24,225	51,591	-	-	1,814	-	10,732	-	88,362
Assigned	-	-	-	-	-	-	-	52,278	52,278
Unassigned	-	-	(14,037)	(7,387)	-	(50,001)	-	-	(71,425)
Total fund balances	<u>24,225</u>	<u>51,591</u>	<u>(14,037)</u>	<u>(7,387)</u>	<u>1,814</u>	<u>(50,001)</u>	<u>10,732</u>	<u>52,278</u>	<u>69,215</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,055</u>	<u>\$ 65,828</u>	<u>\$ 5,573</u>	<u>\$ 4,180</u>	<u>\$ 1,929</u>	<u>\$ 15,327</u>	<u>\$ 12,110</u>	<u>\$ 52,278</u>	<u>\$ 200,280</u>

WORTH PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2025

	SPECIAL REVENUE FUNDS							PERMANENT FUND	Total
	Social Security	IMRF	Liability Insurance	Audit	Unemploy. Comp.	Library Building	Workers' Compens.	Working Cash	
Revenues:									
Property taxes	\$ 37,040	\$ 32,441	\$ 8,161	\$ 7,990	\$ 205	\$ 29,687	\$ 4,023	\$ -	\$ 119,547
Investment income	-	-	-	-	-	-	-	2,430	2,430
Total revenues	37,040	32,441	8,161	7,990	205	29,687	4,023	2,430	121,977
Expenditures:									
Cultural	33,555	18,138	14,600	9,600	680	41,320	1,896	-	119,789
Total expenditures	33,555	18,138	14,600	9,600	680	41,320	1,896	-	119,789
Net change in fund balances	3,485	14,303	(6,439)	(1,610)	(475)	(11,633)	2,127	2,430	2,188
Fund balances:									
Beginning of year	20,740	37,288	(7,598)	(5,777)	2,289	(38,368)	8,605	49,848	67,027
End of year	<u>\$ 24,225</u>	<u>\$ 51,591</u>	<u>\$ (14,037)</u>	<u>\$ (7,387)</u>	<u>\$ 1,814</u>	<u>\$ (50,001)</u>	<u>\$ 10,732</u>	<u>\$ 52,278</u>	<u>\$ 69,215</u>