UNIVERSITY PARK PUBLIC LIBRARY DISTRICT

UNIVERSITY PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

UNIVERSITY PARK PUBLIC LIBRARY DISTRICT

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Year Ended June 30, 2023

O'NEILL & GASPARDO, LLC
Consultants and Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
UNIVERSITY PARK PUBLIC LIBRARY DISTRICT
University Park, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **UNIVERSITY PARK PUBLIC LIBRARY DISTRICT** (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, 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 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 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

O'NEILL & GASPARDO, LLC
Mokena, Illinois
January 24, 2024

UNIVERSITY PARK LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the University Park 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, 2023. 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, 2023 was $2,146,159, an increase of $21,023 from June 30, 2022.

The District's governmental activities had revenues of $651,026 in the year ended June 30, 2023 as compared to revenues of $636,196 in the prior year. The District's governmental activities had expenses of $630,003 in the year ended June 30, 2023 as compared to expenses of $515,391 in the prior year. This represented a 2.3% increase in revenues and 22.2% 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. These statements provide both long-term and short-term information about the District's overall status.

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 of 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. An important purpose of the design of this statement is to show the financial reliance of the District's distinct activities or functions on revenue provided by the District's taxpayers.

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 supplementary information, which is useful in comparing how District expenditures were made in comparison to budgeted amounts.

Financial Analysis

Condensed Statement of Net Position

	June 30, 2023	%	June 30, 2022	%	Change	%
Assets						
Current assets	$ 727,895	21.7%	$ 1,083,737	30.6%	$ (355,842)	-32.8%
Noncurrent assets	2,547,931	76.0%	2,460,076	69.4%	87,855	3.6%
Total assets	3,275,826	97.7%	3,543,813	100.0%	(267,987)	-7.6%
Deferred outflows of resources	77,769	2.3%	215	0.0%	77,554	36071.6%
Total assets and deferred outflows of resources	$ 3,353,595	100.0%	$ 3,544,028	100.0%	$ (190,433)	-5.4%
Liabilities						
Current liabilities	$ 103,378	8.6%	$ 115,031	8.1%	$ (11,653)	-10.1%
Noncurrent liabilities	499,980	41.4%	566,275	39.9%	(66,295)	-11.7%
Total liabilities	603,358	50.0%	681,306	48.0%	(77,948)	-11.4%
Deferred inflows of resources	604,078	50.0%	737,586	52.0%	(133,508)	-18.1%
Total liabilities and deferred inflows of resources	1,207,436	100.0%	1,418,892	100.0%	(211,456)	-14.9%
Net Position						
Net investment in capital assets	1,044,329	48.7%	1,304,186	61.4%	(259,857)	-19.9%
Restricted	974,570	45.4%	1,117,072	52.6%	(142,502)	-12.8%
Unrestricted	127,260	5.9%	(296,122)	-13.9%	423,382	-143.0%
Total net position	2,146,159	100.0%	2,125,136	100.0%	21,023	1.0%
Total liabilities, deferred inflows of resources and net position	$ 3,353,595		$ 3,544,028		$ (190,433)	-5.4%

- Net position may serve, over time, as a useful indicator of the District's financial position. Total net position increased $21,023 from June 30, 2022 to June 30, 2023.
- The District's investment in capital assets, less debt used to acquire those assets that is still outstanding was $1,044,329 at June 30, 2023. The District uses these capital assets to provide services to residents, so they are not available for future spending. Capital assets increased due to additional construction in the fiscal year related to the new room addition.
- Restricted net assets are resources used for payment of general long-term debt principal, interest, and related costs and amounts restricted by tax levies to be used for certain purposes.
- Unrestricted net assets can be used for any purpose.

Condensed Statement of Activities

	July 1, 2022 to June 30, 2023	%	July 1, 2021 to June 30, 2022	%	Change	%
Revenues						
General Revenues:						
Property taxes	$ 550,073	84.5%	$ 581,990	91.5%	$ (31,917)	-5.5%
Replacement taxes	38,592	5.9%	38,362	6.0%	230	0.6%
Grants	10,539	1.6%	10,515	1.7%	24	0.2%
Investment income	1,122	0.2%	1,211	0.2%	(89)	-7.3%
Fines, fees and other	25,000	3.8%	2,618	0.4%	22,382	854.9%
Donations	25,700	3.9%	1,500	0.2%	24,200	1613.3%
Total revenues	651,026	100.0%	636,196	100.0%	14,830	2.3%
Expenses						
Cultural	623,388	99.0%	500,879	97.2%	122,509	24.5%
Debt service	6,615	1.0%	14,512	2.8%	(7,897)	-54.4%
Total expenses	630,003	100.0%	515,391	100.0%	114,612	22.2%
Change in net position	21,023		120,805		(99,782)	-82.6%
Net position, beginning of year	2,125,136		2,004,331		120,805	6.0%
Net position, end of year	$ 2,146,159		$ 2,125,136		$ 21,023	1.0%

- 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, 2023 compared to prior year.
- The majority of revenue was used to fund cultural expenses. The increase in expenses was due to increases in various expenses.

Budget

The District did not amend their budget during the fiscal year. The actual funds received for the general fund were $623,323 which was $124,286 lower than budgeted. Actual expenditures for the general fund of $978,843 were $84,843 higher than budgeted, due to expenses related to the District's renovation project.

Financial Analysis of District's Funds

	General	IMRF & Social Security	Other Funds	Total
Total revenues	$ 623,323	$ 18,992	$ 8,711	$ 651,026
Total expenditures	978,843	17,696	19,497	1,016,036
Change in fund balance	(355,520)	1,296	(10,786)	(365,010)
Fund balance at June 30, 2021	659,395	317,743	197,823	1,174,961
Fund balance at June 30, 2022	$ 303,875	$ 319,039	$ 187,037	$ 809,951

$99,544 of the IMRF & social security fund balance is committed by the Board for use to pay future IMRF and social security expenses. The remaining balance in this fund is restricted based on the tax levy. Other funds balances are restricted for specific purposes based on tax levies. The general fund has a balance of $303,875, of which $566,258 is restricted as collateral for the bank loan and the remaining balance of $(262,383) is unassigned.

Capital Assets

	June 30, 2023	June 30, 2022
Land	$ 23,484	$ 23,484
Construction in progress	985,292	669,446
Building and grounds	1,272,117	1,255,733
Furniture and fixtures	32,140	18,686
Artwork	5,696	5,696
Library collection	59,551	77,629
Total capital assets	2,378,280	2,050,674
Less: accumulated depreciation	767,693	746,488
Net capital assets	$ 1,610,587	$ 1,304,186

The District's investment in capital assets, net of accumulated depreciation was $1,610,587 as of June 30, 2023. This was an increase of $306,401 from June 30, 2022 and was due to District completing a majority of their renovation project and total additions exceeding depreciation expense.

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

Debt

During the fiscal year ended June 30, 2021, a $700,000 note payable was issued by Old National Bank. The note matures in May 2026. The District uses the general fund to pay this debt. At June 30, 2023, the note payable balance was $566,258.

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 University Park; 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 University Park. The EAV increased from $138,398,399 in 2021 to $150,641,454 in 2022. The rise in assessed valuation will provide more income but is also likely to result in a greater number of tax objections to lower assessments.
- Public Library Per Capita Grants are funded through the State. The population determined by the 2021 census will have an effect on future grants.
- The District hired a construction company in October 2019, an architecture firm in September 2020, and a construction company in February 2021 to oversee the design, bidding, and contract process, construction and post construction for a meeting room addition to the current library facilities. As of June 30, 2023, the room addition has not been completed.

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, University Park Public Library District, 1100 Blackhawk Dr., University Park, Illinois 60484.

End of Management's Discussion and Analysis

UNIVERSITY PARK PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

June 30, 2023

	General	IMRF & Social Security	Other Funds	Total	Adjustments	Statement of Net Position
Assets:						
Current:						
Cash and investments	$ -	$ 216,077	$ 193,550	$ 409,627	$ -	$ 409,627
Property tax receivables	299,854	5,360	6,968	312,182	-	312,182
Replacement tax receivables	6,086	-	-	6,086	-	6,086
Total current	305,940	221,437	200,518	727,895	-	727,895
Noncurrent:						
Restricted certificate of deposit	566,258	107,972	-	674,230	-	674,230
Unrestricted certificate of deposit	26,820	-	-	26,820	-	26,820
Net pension asset	-	-	-	-	236,294	236,294
Land (not depreciated)	-	-	-	-	23,484	23,484
Construction in progress	-	-	-	-	985,292	985,292
Other capital assets, net of depreciation	-	-	-	-	601,811	601,811
Total noncurrent	593,078	107,972	-	701,050	1,846,881	2,547,931
Total assets	899,018	329,409	200,518	1,428,945	1,846,881	3,275,826
Deferred outflows of resources:						
Pension related	-	-	-	-	77,769	77,769
Total deferred outflows of resources	-	-	-	-	77,769	77,769
Total assets and deferred outflows of resources	$ 899,018	$ 329,409	$ 200,518	$ 1,428,945	$ 1,924,650	$ 3,353,595

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

June 30, 2023

	General	IMRF & Social Security	Other Funds	Total	Adjustments	Statement of Net Position
Current liabilities:						
Accounts payable	$ 8,413	$ -	$ -	$ 8,413	$ -	$ 8,413
Accrued payroll	6,503	-	-	6,503	-	6,503
Note payable	-	-	-	-	66,278	66,278
Accrued compensated absences	-	-	-	-	22,184	22,184
Total current liabilities	14,916	-	-	14,916	88,462	103,378
Noncurrent liabilities:						
Note payable	-	-	-	-	499,980	499,980
Total noncurrent liabilities	-	-	-	-	499,980	499,980
Deferred inflows of resources:						
Unavailable property taxes:						
Property tax receivable	299,854	5,360	6,968	312,182	-	312,182
Advance collections	280,373	5,010	6,513	291,896	-	291,896
Pension related	-	-	-	-	-	-
Total deferred inflows of resources	580,227	10,370	13,481	604,078	-	604,078
Fund balances/net position:						
Fund balances:						
Nonspendable	-	-	70,001	70,001	(70,001)	-
Restricted	566,258	219,495	118,816	904,569	(904,569)	-
Committed	-	99,544	-	99,544	(99,544)	-
Unassigned	(262,383)	-	(1,780)	(264,163)	264,163	-
Total fund balances	303,875	319,039	187,037	809,951	(809,951)	-
Total liabilities, deferred inflows of resources and fund balances	$ 899,018	$ 329,409	$ 200,518	$ 1,428,945		$ 1,207,436
Net position:						
Net investment in capital assets					1,044,329	1,044,329
Restricted					974,570	974,570
Unrestricted					127,260	127,260
Total net position					$ 2,146,159	$ 2,146,159

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

June 30, 2023

Fund balances - governmental funds	$ 809,951
Net pension asset is not a current financial resource and therefore is not reported on the Governmental Funds Balance Sheet.	236,294
Capital assets are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.	1,610,587
Deferred outflows and inflows of resources related to IMRF pension are not a current financial resource and therefore are not reported on the Governmental Funds Balance Sheet.	
Deferred outflows of resources - pension related	77,769
Certain liabilities are not due and payable in the current period and therefore are not reported on the Governmental Funds Balance Sheet:	
Note payable	(566,258)
Accrued compensated absences	(22,184)
Net position of governmental activities	$ 2,146,159

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

Year Ended June 30, 2023

	General	IMRF & Social Security	Other Funds	Total	Adjustments	Statement of Activities
Revenues:						
Property taxes	$ 522,370	$ 18,992	$ 8,711	$ 550,073	$ -	$ 550,073
Replacement taxes	38,592	-	-	38,592	-	38,592
Grants	10,539	-	-	10,539	-	10,539
Investment income	1,122	-	-	1,122	-	1,122
Fines, fees and other	25,000	-	-	25,000	-	25,000
Donations	25,700	-	-	25,700	-	25,700
Total revenues	623,323	18,992	8,711	651,026	-	651,026
Expenditures/expenses:						
Cultural	551,392	17,696	19,497	588,585	34,803	623,388
Capital outlay	355,971	-	-	355,971	(355,971)	-
Debt service:						
Principal	64,865	-	-	64,865	(64,865)	-
Interest	6,615	-	-	6,615	-	6,615
Total expenditures/expenses	978,843	17,696	19,497	1,016,036	(386,033)	630,003
Net change in fund balances/net position	(355,520)	1,296	(10,786)	(365,010)	386,033	21,023
Fund balances/net position:						
Beginning of year	659,395	317,743	197,823	1,174,961	950,175	2,125,136
End of year	$ 303,875	$ 319,039	$ 187,037	$ 809,951	$ 1,336,208	$ 2,146,159

UNIVERSITY PARK 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, 2023

Net change in fund balances - governmental funds		$ (365,010)
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of these assets are depreciated over their estimated useful lives.		
Expenditures for capital assets in the current year	$ 355,111	
Current year depreciation	(48,710)	
		306,401
Repayment of debt principal is an expenditures in governmental funds, but reduces liabilities on the Statement of Net Position.		64,865
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	(585)	
Change in net deferred outflows/inflows of resources for IMRF pension plan from the prior year	233,898	
Change in net pension asset from the prior year	(218,546)	
Total adjustments		14,767
Change in net position of governmental activities		$ 21,023

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

UNIVERSITY PARK PUBLIC LIBRARY DISTRICT (the "District") is located in University Park, 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 grants, fines, fees and other, 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 Illinois Municipal Retirement Fund (IMRF) & social security 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.

IMRF & Social Security Fund – The IMRF & social security fund is used to pay for the employer's portion of IMRF and social security taxes.

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. Interfund balances between funds have been eliminated in the government-wide statements.

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 Governmental Funds 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 property 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.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The range of estimated useful lives by type of asset is as follows:

Building and grounds	10 – 50 years
Furniture and fixtures	5 – 12 years
Artwork	60 years
Library collection (books and audio-visual)	5 years

The minimum capitalization threshold is any item with a total cost greater than $2,500, except for purchases of the library collection, 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 vacation and sick pay benefits. No liability is recorded for unpaid accumulated sick leave since it is the District's policy to not pay unused sick leave when employees separate from the District. On the fund financial statements, accrued vacation is recorded in the general fund when payable (i.e. upon separation or retirement). On the government-wide financial statements, these compensated absences are recorded when earned. The District uses the general fund to pay compensated absences.

G. Deferred Outflows/Inflows of Resources

The District reports deferred outflows/inflows of resources on its Governmental Funds Balance Sheet and 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 IMRF 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 will not be recognized as an inflow of resources (revenue or reduction of expense) on the Governmental Funds Revenues, Expenditures and Changes in Fund Balances until then. The District's only deferred inflows of resources that qualify for reporting in this category were:

- Levied property taxes intended to finance the next fiscal year, which will be recognized as revenue in the next fiscal year.
- Inflows related to the IMRF pension, which represents pension items that will be recognized in future periods.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

The 2021 levy was intended to finance the fiscal year ended June 30, 2023. Therefore, the property taxes collected within 60 days of June 30, 2023 for this levy have been recorded as revenue. The 2022 levy is intended to finance the fiscal year ending June 30, 2024. Therefore, the advance collections and property taxes receivable of this levy as of June 30, 2023 have been recorded as deferred inflow of resources.

The District recorded an allowance for uncollectible property taxes of 1.55% of the 2022 levy ($9,343). All uncollected taxes relating to prior years' levies have been written off.

Significant dates for the 2022 levy are as follows:

Lien date	January 1, 2022
Levy date	November 15, 2022
Cook County first installment due	April 3, 2023
Cook County second installment due	December 1, 2023
Will County first installment due	June 1, 2023
Will County second installment due	September 1, 2023

Property taxes are billed and collected by the county treasurers of Cook and Will counties. Property tax bills are typically mailed at least 30 days prior to due dates. Substantially all of the collected taxes for the 2022 tax levy will be received by the District between April 2023 and December 2023.

I. Elimination and Reclassifications

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 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.
- 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, 2023. 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, 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.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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 1⅔% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 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 1⅔% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

Employees Covered by Benefit Terms
As of December 31, 2022, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	1
Total	12

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 2022 was 1.07% of members' wages. For the fiscal year ended in June 30, 2023, the District contributed $1,696 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 Asset/Liability
The District's net pension asset/liability was measured as of December 31, 2022. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The following are the methods and assumptions used to determine total pension asset/liability at December 31, 2022:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Fair Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2020 valuation pursuant to an experience study from years 2017-2019.

NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

- Mortality – 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 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-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.
- 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, 2022:

Asset class	Portfolio target percentage	Long-term expected real rate of return
Domestic equity	35.50%	6.50%
International equity	18.00%	7.60%
Fixed income	25.50%	4.90%
Real estate	10.50%	6.20%
Alternative investments	9.50%	6.25%-9.90%
Cash equivalents	1.00%	4.00%
Total	100.00%	

There were no benefit changes during the calendar year 2022.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension asset/liability. The projection of cash flow used to determine the 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. The Single Discount Rate reflects:

- 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 this valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 4.05% and the resulting single discount rate is 7.25%.

Changes in the Net Pension Asset/Liability

	Total pension liability (A)	Plan fiduciary net position (B)	Net pension (asset) liability (A) - (B)
Balances at December 31, 2021	$ 637,057	$ 1,091,897	$ (454,840)
Changes for the year:			
Service cost	2,477	-	2,477
Interest on the total pension liability	44,138	-	44,138
Changes in benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	17,382	-	17,382
Changes of assumptions	-	-	-
Contributions - employer	-	430	(430)
Contributions - employee	-	1,811	(1,811)
Net investment income/(loss)	-	(165,079)	165,079
Benefits payments, including refunds of employee contributions	(58,982)	(58,982)	-
Other (net transfers)	-	8,289	(8,289)
Net changes	5,015	(213,531)	218,546
Balances at December 31, 2022	$ 642,072	$ 878,366	$ (236,294)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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

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

	1% lower (6.25%)	Current discount rate (7.25%)	1% higher (8.25%)
Net pension liability	$ 699,832	$ 642,072	$ 591,390
Plan fiduciary net position	878,366	878,366	878,366
Net pension (asset) / liability	$ (178,534)	$ (236,294)	$ (286,976)

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

For the year ended June 30, 2023, the District recognized pension income of $13,656. At June 30, 2023, 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**
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	$ 3,476	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	72,814	-
Total deferred amounts to be recognized in pension expense in future periods	76,290	-
Pension contributions made subsequent to the measurement date	1,479	-
Total deferred amounts related to pensions	$ 77,769	$ -

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 future periods as follows:

Year ending December 31,	Net deferred inflows of resources
2023	$ (8,490)
2024	10,474
2025	25,809
2026	48,497
2027	-
Thereafter	-
Total	$ 76,290

NOTE 3. CASH AND INVESTMENTS

Reconciled cash and investments were as follows at June 30, 2023:

Old Second National Bank - checking accounts	$ 28,656	
Old Second National Bank - savings accounts	330,029	
US Bank - money market	28,873	
Illinois Funds Investment (see below - does not require categorization)	22,069	
Current		$ 409,627
First Midwest Bank - certificate of deposit (maturing 5/1/2026)	701,050	
Noncurrent		701,050
Total cash and investments		$ 1,110,677

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 accounts, certain short-term obligations of U.S. corporations, money market mutual funds, certificates of deposits, Illinois Public Treasurer's Investment Pool (Illinois Funds), and other securities authorized by the Illinois Public Funds Investment Act.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3. CASH AND INVESTMENTS – Continued

- 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 policy requires no collateral for investments 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. The District had deposits of $452,104 at June 30, 2023 that exceed federal insurance limits.
- 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 policy states that uninsured deposits shall be collateralized by at least 110% of deposits in excess of the FDIC limit. Certificates of deposit, share certificates, surety bonds and letters of credit should be insured by at least 102% in excess of the FDIC limit. Repurchase agreements should be collateralized by at least 102% of the value of the repurchase agreement.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The policy states that no investment shall exceed two years maturity.
- Concentration of credit risk is the risk of loss due to the District's investments not being diversified. The policy states that no investment category shall exceed 40% of the District's portfolio except for cash equivalents and treasury securities. The certificate of deposit, which matures on 5/1/2026, comprises 63% of the District's total cash and investments at June 30, 2023.
- Illinois Funds is an investment pool managed by the State of Illinois, Office of 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 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, 2023:

Insured by federal depository insurance	$ 826,458
Collateralized by securities held by the pledging financial institution's trust department or agent in the District's name	-
Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the District's name	-
Uncollateralized	452,104
Total deposits with financial institutions	$ 1,278,562

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Note payable	$ 631,123	$ -	$ (64,865)	$ 566,258	$ 66,278
Accrued compensated absences	21,599	7,301	(6,716)	22,184	22,184
Total long-term liabilities	$ 652,722	$ 7,301	$ (71,581)	$ 588,442	$ 88,462

Note payable at June 30, 2023 was comprised of the following issuance:

A note payable of $700,000 was issued in May 2021. This note bears an interest rate of 2.15%. It requires monthly principal and interest payments of $6,498 through April 6, 2026 with a final payment of $375,544 on May 6, 2026. Principal payments began on June 6, 2021. This note is collateralized by a certificate of deposit with a value of $701,050 at June 30, 2023 with First Midwest Bank.

The general fund has been used to liquidate notes payable and accrued compensated absences.

Minimum future payments for the note payable are as follows at June 30, 2023:

Fiscal Year	Principal	Interest	Total
June 30, 2024	66,278	11,701	77,979
June 30, 2025	67,738	10,240	77,978
June 30, 2026	432,242	7,394	439,636
	$ 566,258	$ 29,335	$ 595,593

A computation of the legal debt margin of the District as of June 30, 2023 is as follows:

Equalized Assessed Valuation 2022	$ 150,641,454
Legal debt limit - 2.875%	$ 4,330,942
Amount of the debt applicable to limit	(566,258)
Estimated legal debt margin	$ 3,764,684

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not depreciable:				
Land	$ 23,484	$ -	$ -	$ 23,484
Construction in progress	669,446	315,846	-	985,292
Total capital assets, not depreciable	692,930	315,846	-	1,008,776
Capital assets, depreciable:				
Building and grounds	1,255,733	16,384	-	1,272,117
Furniture and fixtures	18,686	13,454	-	32,140
Artwork	5,696	-	-	5,696
Library collection	77,629	9,427	(27,505)	59,551
Total capital assets, depreciable	1,357,744	39,265	(27,505)	1,369,504
Less accumulated depreciation for:				
Building and grounds	(682,151)	(30,346)	-	(712,497)
Furniture and fixtures	(14,264)	(4,550)	-	(18,814)
Artwork	(2,072)	(96)	-	(2,168)
Library collection	(48,001)	(13,718)	27,505	(34,214)
Total accumulated depreciation	(746,488)	(48,710)	27,505	(767,693)
Capital assets, net	$ 1,304,186	$ 306,401	$ -	$ 1,610,587

NOTE 6. 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 purchased commercial insurance policies to overcome these risks. Claims have not exceeded coverage in the last three years.

NOTE 7. POST EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. Since employees pay 100% of this benefit, there is no liability to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Therefore, the District has not recorded a liability as of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 8. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the governmental funds at June 30, 2023:

	General	IMRF & Social Security	Other Funds
Fund balances:			
Nonspendable:	$ -	$ -	$ 70,001
Restricted for:			
Outstanding debt	566,258	-	-
IMRF & social security	-	219,495	-
Interfund loans	-	-	-
Debt service	-	-	76,926
Unemployment compensation	-	-	10,887
Liability insurance	-	-	31,003
Committed by Board:			
General - outstanding debt	-	-	
IMRF & social security	-	99,544	-
Unassigned	(262,383)	-	(1,780)
Total fund balances	$ 303,875	$ 319,039	$ 187,037

NOTE 9. RESTRICTED NET POSITION

The following is a schedule of restricted net position on the Statement of Net Position at June 30, 2023.

Restricted by tax levies for:		
Debt service	76,926	
IMRF & social security	219,495	
Unemployment compensation	10,887	
Liability insurance	31,003	
Total restricted by tax levies		$ 338,311
Restricted by bank for outstanding debt		566,258
Total restricted net position		$ 904,569

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 10. OTHER FUND DISCLOSURES

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

The following fund had a deficit balance at June 30, 2023:

Non-major fund - audit	$ (1,780)

NOTE 11. DEFERRED COMPENSATION

The District has a 457 deferred compensation plan. Employees may make voluntary contributions to the plan within the limits allowed by Internal Revenue Service Code Section 457.

NOTE 12. CONTRACTUAL COMMITMENTS

The District has entered into contracts with a construction management firm, an architecture firm, and a construction company to oversee the design, bidding and contract process, construction and post construction for a meeting room addition to the current library facilities. The contracts for these services total $1,018,524, and as of June 30, 2023, $985,292 has been paid.

NOTE 13. SUBSEQUENT EVENTS

The District has evaluated events subsequent to June 30, 2023 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

GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL
Year Ended June 30, 2023

	Original / Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	$ 537,609	$ 522,370	$ (15,239)
Other revenues:			
Replacement taxes	20,000	38,592	18,592
Grants	40,000	10,539	(29,461)
Investment income	5,000	1,122	(3,878)
Fines, fees and other	5,000	25,000	20,000
Donations	140,000	25,700	(114,300)
Total other revenues	210,000	100,953	(109,047)
Total revenues	747,609	623,323	(124,286)
Expenditures:			
Cultural:			
Salaries	360,000	208,891	(151,109)
Security	-	29,285	29,285
Health insurance	30,000	17,161	(12,839)
Professional development	3,000	635	(2,365)
Conference / travel	3,500	634	(2,866)
Automation	15,000	10,115	(4,885)
Books and periodicals	23,500	9,427	(14,073)
Electronic subscriptions	15,000	11,244	(3,756)
Audio - visual	3,500	-	(3,500)
Supplies	10,000	14,584	4,584
Publicity / printing	7,000	11,290	4,290
Postage	3,500	3,400	(100)
Programming	20,000	25,854	5,854
SWAN fee	23,000	18,434	(4,566)
Electricity	15,000	12,574	(2,426)
Gas	8,000	8,246	246
Water	8,000	3,305	(4,695)
Telephone	8,000	8,925	925
Disposal	2,000	402	(1,598)
Building maintenance / repairs	100,000	49,446	(50,554)
Equipment / maintenance / lease	16,000	21,089	5,089
IT maintenance	20,000	21,597	1,597
Accounting	18,000	17,233	(767)
Legal fees	15,000	28,628	13,628
Legal notices	3,000	1,592	(1,408)

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GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL
Year Ended June 30, 2023

Continued from previous page…

	Original / Final Budget	Actual	Over (Under) Budget
Trustee education / functions	5,000	2,109	(2,891)
Professional services	5,000	161	(4,839)
Contingency	1,000	-	(1,000)
Bank service fees	3,000	3,105	105
Equipment	50,000	12,026	(37,974)
Total cultural	794,000	551,392	(242,608)
Capital outlay:			
Special reserve expense	-	355,971	355,971
Total capital outlay	-	355,971	355,971
Debt service:			
Principal	100,000	64,865	(35,135)
Interest	-	6,615	6,615
Total debt service	100,000	71,480	(28,520)
Total expenditures	894,000	978,843	84,843
Net change in fund balance	$ (146,391)	(355,520)	$ (209,129)
Fund balance, beginning		659,395	
Fund balance, ending		$ 303,875	

IMRF & SOCIAL SECURITY FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL
Year Ended June 30, 2023

	Original / Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	$ 9,617	$ 18,992	$ 9,375
Total revenues	9,617	18,992	9,375
Expenditures:			
IMRF and social security	20,000	17,696	(2,304)
Total expenditures	20,000	17,696	(2,304)
Net change in fund balance	$ (10,383)	1,296	$ 11,679
Fund balance, beginning		317,743	
Fund balance, ending		$ 319,039	

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
June 30, 2023

Calendar year ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	$ 2,477	$ 4,474	$ 5,395	$ 6,866	$ 9,423	$ 9,702	$ 9,560	$ 12,749	$ 12,585
Interest on the total pension liability	44,138	45,791	47,817	53,158	58,018	58,437	56,663	62,332	60,370
Differences between expected and actual experience of the total pension liability	17,382	(9,552)	(9,522)	(67,112)	(60,581)	12,358	12,019	(66,151)	(5,161)
Changes of assumptions	-	-	(7,171)	-	18,822	(28,388)	-	(1,711)	39,595
Benefit payments, including refunds of employee contributions	(58,982)	(66,026)	(62,001)	(69,682)	(59,846)	(55,260)	(54,053)	(112,827)	(45,338)
Net change in total pension liability	5,015	(25,313)	(25,482)	(76,770)	(34,164)	(3,151)	24,189	(105,608)	62,051
Total pension liability - beginning	637,057	662,370	687,852	764,622	798,786	801,937	777,748	883,356	821,305
Total pension liability - ending (A)	$ 642,072	$ 637,057	$ 662,370	$ 687,852	$ 764,622	$ 798,786	$ 801,937	$ 777,748	$ 883,356
Plan fiduciary net position:									
Contributions - employer	$ 430	$ 592	$ 374	$ 701	$ 5,251	$ 4,653	$ 10,415	$ 14,203	$ 15,431
Contributions - employee	1,811	2,423	2,274	1,935	3,565	3,598	3,454	4,520	4,542
Net investment income	(165,079)	182,370	140,470	168,493	(66,804)	159,664	54,851	3,932	48,132
Benefit payments, including refunds of employee contributions	(58,982)	(66,026)	(62,001)	(69,682)	(59,846)	(55,260)	(54,053)	(112,827)	(45,338)
Other (net transfer)	8,289	(19,663)	3,333	(7,607)	19,010	(17,561)	7,451	52,211	8,992
Net change in plan fiduciary net position	(213,531)	99,696	84,450	93,840	(98,824)	95,094	22,118	(37,961)	31,759
Plan fiduciary net position - beginning	1,091,897	992,201	907,751	813,911	912,735	817,641	795,523	833,484	801,725
Plan fiduciary net position - ending (B)	$ 878,366	$ 1,091,897	$ 992,201	$ 907,751	$ 813,911	$ 912,735	$ 817,641	$ 795,523	$ 833,484
Net pension liability/(asset) - ending (A) - (B)	$ (236,294)	$ (454,840)	$ (329,831)	$ (219,899)	$ (49,289)	$ (113,949)	$ (15,704)	$ (17,775)	$ 49,872
Plan fiduciary net position as a percentage of the total pension liability	136.80%	171.40%	149.80%	131.97%	106.45%	114.27%	101.96%	102.29%	94.35%
Covered valuation payroll	$ 40,255	$ 53,843	$ 50,524	$ 43,000	$ 79,212	$ 79,948	$ 76,755	$ 100,448	$ 100,924
Net pension liability as a percentage of covered valuation payroll	-586.99%	-844.75%	-652.82%	-511.39%	-62.22%	-142.53%	-20.46%	-17.70%	49.42%

Notes to schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, information is presented for those years for which information is available.

UNIVERSITY PARK PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2023

Calendar year ended December 31,	Actuarially determined contribution (a)	Actual contribution (b)	Contribution deficiency (excess) (a-b)	Covered valuation payroll (c)	Actual contribution as a percentage of covered valuation payroll (b/c)
2022	$ 431	$ 430	$ 1	$ 40,255	1.07%
2021	592	592	-	53,843	1.10%
2020	374	374	-	50,524	0.74%
2019	701	701	-	43,000	1.63%
2018	5,252	5,251	1	79,212	6.63%
2017	4,653	4,653	-	79,948	5.82%
2016	10,416	10,415	1	76,755	13.57%
2015	14,203	14,203	-	100,448	14.14%
2014	15,431	15,431	-	100,924	15.29%
2013	17,024	17,024	-	106,402	16.00%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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, 2023.

NOTE 2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Expenditures exceeded the appropriations by $84,843 for the year ended June 30, 2023 for the general fund. Expenditures did not exceed the appropriation for the year ended June 30, 2023 for the major special revenue fund (IMRF & social security).

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

NOTE 3. SCHEDULE OF EMPLOYER CONTRIBUTIONS

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2022 Contribution Rates

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	21-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality:	For 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, 2020 actuarial valuation.

SUPPLEMENTARY INFORMATION

OTHER FUNDS
COMBINING BALANCE SHEET
June 30, 2023

	SPECIAL REVENUE FUNDS			DEBT SERVICE	PERMANENT FUND	
	Liability Insurance	**Audit**	**Unemploy. Comp.**	**Debt Service**	**Working Cash**	**Total**
Assets:						
Cash and investments	$ 33,508	$ 1,156	$ 11,959	$ 76,926	$ 70,001	$ 193,550
Property tax receivables	2,680	3,141	1,147	-	-	6,968
Total assets	$ 36,188	$ 4,297	$ 13,106	$ 76,926	$ 70,001	$ 200,518
Deferred inflows of resources:						
Unavailable property taxes:						
Property tax receivable	$ 2,680	$ 3,141	$ 1,147	$ -	$ -	$ 6,968
Advance collections	2,505	2,936	1,072	-	-	6,513
Total deferred inflows of resources	5,185	6,077	2,219	-	-	13,481
Fund balances:						
Nonspendable	-	-	-	-	70,001	70,001
Restricted	31,003	-	10,887	76,926	-	118,816
Unassigned	-	(1,780)	-	-	-	(1,780)
Total fund balances	31,003	(1,780)	10,887	76,926	70,001	187,037
Total liabilities, deferred inflows of resources and fund balances	$ 36,188	$ 4,297	$ 13,106	$ 76,926	$ 70,001	$ 200,518

OTHER FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS			DEBT SERVICE	PERMANENT FUND	
	Liability Insurance	Audit	Unemploy. Comp.	Debt Service	Working Cash	Total
Revenues:						
Property taxes	$ 1,926	$ 5,723	$ 1,062	$ -	$ -	$ 8,711
Total revenues	1,926	5,723	1,062	-	-	8,711
Expenditures:						
Cultural	9,952	8,500	1,045	-	-	19,497
Total expenditures	9,952	8,500	1,045	-	-	19,497
Net change in fund balances	(8,026)	(2,777)	17	-	-	(10,786)
Fund balances:						
Beginning of year	39,029	997	10,870	76,926	70,001	197,823
End of year	$ 31,003	$ (1,780)	$ 10,887	$ 76,926	$ 70,001	$ 187,037