

**WINNETKA-NORTHFIELD PUBLIC
LIBRARY DISTRICT**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025



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Independent Auditor's Report

Board of Trustees
Winnetka-Northfield Public Library District
Winnetka, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winnetka-Northfield Public Library District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Winnetka-Northfield Public Library 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 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 these 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.

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

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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 accepting 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 Winnetka-Northfield Public Library 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 Winnetka-Northfield Public Library 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 have 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 other required supplementary information on pages 4 through 7 and 28 through 34 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 Winnetka-Northfield Public Library District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of

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additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the aforementioned information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

ATA Group, LLP

December 8, 2025

Management's Discussion and Analysis

As management of Winnetka-Northfield Public Library District, this narrative overview and analysis is provided of the District's financial activities for the fiscal year ending June 30, 2025. We recommend readers consider this information in conjunction with the financial statements as a whole.

Required Financial Statements

Fund and government-wide financial statements are combined on pages 8 and 9.

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. They are prepared using the accrual basis of accounting.

The Statement of Net Position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year.

Fund financial statements tell how library services were paid for as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's major funds and the total of all other funds.

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of IMRF pension information, other post-employment benefit information, and a comparison of budget to actual revenues and expenditures for the general and building and equipment funds.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Winnetka-Northfield Public Library District, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by \$14,653,064 and \$13,918,474 for the years ended June 30, 2025 and 2024, respectively. A large portion of the District's net position reflects its net investment in capital assets. The District uses these capital assets to provide services and consequently these assets are not available to liquidate liabilities or for other spending.

For the years ended June 30, 2025 and 2024, the District's net position increased by \$734,590 and \$1,194,219, respectively.

Management's Discussion and Analysis

Condensed Statement of Net Position

	June 30,	
	2025	2024
Current Assets	\$ 12,133,603	\$ 11,246,283
Net Pension Asset	84,335	76,548
Capital Assets, net of accumulated depreciation and amortization	5,386,068	5,168,136
Total Assets	17,604,006	16,490,967
Deferred Outflows of Resources	459,516	649,312
Current Liabilities	462,376	297,210
Non-Current Liabilities	421,971	168,657
Total Liabilities	884,347	465,867
Deferred Inflows of Resources	3,410,458	2,755,938
Net Position		
Net Investment in Capital Assets	5,149,604	5,164,148
Restricted	150,530	142,743
Unrestricted	9,352,930	8,611,583
Total Net Position	\$ 14,653,064	\$ 13,918,474

Condensed Statement of Activities

	For Years Ended June 30,	
	2025	2024
Revenues		
Property Taxes	\$ 5,061,003	\$ 4,660,034
Personal Property Replacement Taxes	50,643	76,375
Per Capita Grant	27,465	27,280
Kenilworth Service Contract	119,301	131,183
Fines, Fees and Services	13,417	12,281
Interest Income	288,283	285,234
Contributions	30,000	16,265
Other Revenue	1,102	1,230
Total Revenues	5,591,214	5,209,882
Expenses		
Personnel	2,514,244	2,322,232
FICA	160,119	145,366
Library Materials and Services	596,119	490,856
Computer Services	257,955	245,208
Administrative	269,298	270,304
Capital Outlay	31,826	52,890
Insurance	30,675	32,474
Maintenance	192,123	156,653
Right-to-Use Lease Interest Payments	10,030	1,483
Retirement	94,793	(415,179)
Audit	13,430	12,400
Depreciation, Amortization and Loss on Disposal of Assets	686,012	700,976
Total Expenses	4,856,624	4,015,663
Increase in Net Position	734,590	1,194,219
Net Position, Beginning of Year	13,918,474	12,724,255
Net Position, End of Year	\$ 14,653,064	\$ 13,918,474

Management's Discussion and Analysis

The following is a summary of changes in fund balances for the year ended June 30, 2025:

Governmental Funds	Fund Balance June 30, 2024	Increase (Decrease)	Fund Balance June 30, 2025
General	\$ 5,008,792	\$ 722,538	\$ 5,731,330
Special Reserve	3,417,624	-	3,417,624
Building & Equipment Maintenance	(124,887)	64,986	(59,901)
IMRF	12,012	-	12,012
Unemployment Insurance	54,183	-	54,183
	<u>\$ 8,367,724</u>	<u>\$ 787,524</u>	<u>\$ 9,155,248</u>

Budgetary Highlight

The District's General Fund expended \$4,466,753 which was \$934,500 less than the appropriation of \$5,401,253.

Capital Assets and Debt Administration

The following is a summary of capital assets:

	June 30,	
	2025	2024
Land	\$ 349,666	\$ 349,666
Intangible Asset	253,903	253,903
Construction in Progress	254,925	108,323
Building and Improvements	7,887,877	7,818,723
Furniture and Equipment	543,682	540,104
Computer Equipment	107,906	73,917
Books and Library Materials	1,849,156	1,897,833
Right-to-use Lease Assets	318,170	111,276
	<u>11,565,285</u>	<u>11,153,745</u>
Cost of Capital Assets	11,565,285	11,153,745
Less Accumulated Depreciation and Amortization	<u>6,179,217</u>	<u>5,985,609</u>
Net Capital Assets	<u>\$ 5,386,068</u>	<u>\$ 5,168,136</u>

Capital asset acquisitions during the year included library materials of \$270,191, studio renovations of \$19,013, a new emergency door of \$20,445, new flooring of \$51,000, additional furniture and equipment of \$61,853, and computer equipment of \$33,989. In addition, the District continued the expansion project at the Northfield branch and began improvements and security enhancements at the Winnetka branch, of which \$129,283 has been paid as of June 30, 2025. Finally, the District recorded right-to-use assets totaling \$318,170. Additional information regarding the District's capital assets can be found in Notes 4 and 5, on pages 17 and 18.

Description of Current or Expected Conditions

Presently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future.

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Winnetka-Northfield Public Library District, 768 Oak St., Winnetka, Illinois 60093.

Basic Financial Statements

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

JUNE 30, 2025

	GENERAL FUND	SPECIAL RESERVE FUND	BUILDING & EQUIPMENT	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 13)	STATEMENT OF NET POSITION
ASSETS							
Cash and Cash Investments	\$ 6,056,247	\$ 3,417,624	\$ 19,611	\$ 66,195	\$ 9,559,677	\$ -	\$ 9,559,677
Property Taxes Receivable	2,319,293	-	196,686	-	2,515,979	-	2,515,979
Other Receivables and Assets	57,947	-	-	-	57,947	-	57,947
Net Pension Asset	-	-	-	-	-	84,335	84,335
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	-	5,386,068	5,386,068
Total Assets	8,433,487	3,417,624	216,297	66,195	12,133,603	5,470,403	17,604,006
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows Related to Pensions	-	-	-	-	-	459,516	459,516
Total Assets and Deferred Outflows of Resources	\$ 8,433,487	\$ 3,417,624	\$ 216,297	\$ 66,195	\$ 12,133,603	\$ 5,929,919	\$ 18,063,522
LIABILITIES							
Accounts Payable	\$ 283,583	\$ -	\$ 79,512	\$ -	\$ 363,095	\$ -	\$ 363,095
Accrued Payroll	99,281	-	-	-	99,281	-	99,281
Long-Term Liabilities							
Due within one year	-	-	-	-	-	94,197	94,197
Due after one year	-	-	-	-	-	327,774	327,774
Total Liabilities	382,864	-	79,512	-	462,376	421,971	884,347
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows Related to Pensions	-	-	-	-	-	10,132	10,132
Deferred Property Tax Revenue	2,319,293	-	196,686	-	2,515,979	-	2,515,979
Total Liabilities and Deferred Inflows of Resources	2,702,157	-	276,198	-	2,978,355	432,103	3,410,458
FUND BALANCES / NET POSITION							
Fund Balances							
Restricted for Statutory Purposes	-	-	-	66,195	66,195	(66,195)	-
Committed for Capital Projects	-	3,417,624	-	-	3,417,624	(3,417,624)	-
Unassigned	5,731,330	-	(59,901)	-	5,671,429	(5,671,429)	-
Total Fund Balances	5,731,330	3,417,624	(59,901)	66,195	9,155,248	(9,155,248)	-
Total Liabilities, Deferred Inflows and Fund Balances	\$ 8,433,487	\$ 3,417,624	\$ 216,297	\$ 66,195	\$ 12,133,603		
Net Position							
Net Investment in Capital Assets						5,149,604	5,149,604
Restricted						150,530	150,530
Unrestricted						9,352,930	9,352,930
Total Net Position						\$ 14,653,064	\$ 14,653,064

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL FUND	SPECIAL RESERVE FUND	BUILDING & EQUIPMENT	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 13)	STATEMENT OF ACTIVITIES
REVENUES							
Property Taxes	\$ 4,659,080	\$ -	\$ 401,923	\$ -	\$ 5,061,003	\$ -	\$ 5,061,003
Personal Property Replacement Taxes	50,643	-	-	-	50,643	-	50,643
Per Capita Grant	27,465	-	-	-	27,465	-	27,465
Kenilworth Service Contract	119,301	-	-	-	119,301	-	119,301
Fines, Fees and Services	13,417	-	-	-	13,417	-	13,417
Interest Income	288,283	-	-	-	288,283	-	288,283
Contributions	30,000	-	-	-	30,000	-	30,000
Other Revenue	1,102	-	-	-	1,102	-	1,102
Total Revenues	5,189,291	-	401,923	-	5,591,214	-	5,591,214
EXPENDITURES / EXPENSES							
Personnel	2,493,406	-	-	-	2,493,406	20,838	2,514,244
FICA	160,119	-	-	-	160,119	-	160,119
Library Materials and Services	868,535	-	-	-	868,535	(272,416)	596,119
Computer Services	291,944	-	-	-	291,944	(33,989)	257,955
Administrative	269,298	-	-	-	269,298	-	269,298
Capital Outlay and Right-to-use Expenditures	556,893	-	2,459	-	559,352	(527,526)	31,826
Insurance	30,675	-	-	-	30,675	-	30,675
Maintenance	-	-	262,136	-	262,136	(70,013)	192,123
Right-to-Use Leases Principal Payments	19,910	-	65,784	-	85,694	(85,694)	-
Right-to-Use Leases Interest Payments	3,472	-	6,558	-	10,030	-	10,030
Retirement	77,241	-	-	-	77,241	17,552	94,793
Audit	13,430	-	-	-	13,430	-	13,430
Depreciation and Loss on Disposal of Assets	-	-	-	-	-	686,012	686,012
Total Expenditures / Expenses	4,784,923	-	336,937	-	5,121,860	(265,236)	4,856,624
Excess (Deficiency) of Revenues Over (Under) Expenditures	404,368	-	64,986	-	469,354	265,236	-
OTHER FINANCING SOURCES (USES)							
Right-to-use Lease Proceeds	318,170	-	-	-	318,170	(318,170)	-
Operating Transfers In (Out)	-	-	-	-	-	-	-
Net Change in Fund Balances	722,538	-	64,986	-	787,524	(787,524)	-
Change in Net Position	-	-	-	-	-	734,590	734,590
FUND BALANCES / NET POSITION							
Beginning of Year	5,008,792	3,417,624	(124,887)	66,195	8,367,724	5,550,750	13,918,474
End of Year	\$ 5,731,330	\$ 3,417,624	\$ (59,901)	\$ 66,195	\$ 9,155,248	\$ 5,497,816	\$ 14,653,064

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The financial statements of Winnetka-Northfield Public Library District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. 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

The District's reporting entity includes all entities for which the District exercised oversight responsibility as defined by the GASB.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the District has not included in its financial statements the activities of any other entity.

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Position and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combine information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. At June 30, 2024, the major funds were the General Fund, Special Reserve Fund and the Building and Equipment Fund. Although the Building and Equipment Fund no longer meets the definition of a major fund at June 30, 2025, it will be reported as one, along with the General Fund and Special Reserve Fund, at June 30, 2025. The following is a description of the major and non-major funds.

General Fund Type – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund Type – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: Building and Equipment, IMRF, and Unemployment Insurance.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Projects Fund Type – The Special Reserve Fund is used to account for the acquisition or construction of general capital assets.

C. Basis of Accounting

The government-wide statements (the Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The District reports deferred inflows of resources on its balance sheet and statement of net position. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

E. Cash and Cash Investments

Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer’s investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks which are insured by the Federal Deposit Insurance Corporation.

Cash includes amounts in demand deposits and are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing).

The District has adopted an investment policy. The policy is in accordance with the state statute for allowable investments. Investments are stated at fair value, which is the

Note 1: Summary of Significant Accounting Policies (Continued)

amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record fair value are deemed unrealized gains and losses; are recorded as increases or decreases in investment income, and recorded in the statement of revenues, expenditures and changes in net position. Investment income on commingled investments is allocated to the General Fund.

F. Capital Assets

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

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

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

Building and Improvements	10-50 years
Furniture and Fixtures	7-15 years
Computer Equipment	4-10 years
Books and Library Materials	7 years

The minimum capitalization threshold is any item with a total cost greater than \$2,000, except for library materials.

Fund Financial Statements

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

G. Leases

The District is committed under three leases. During the current fiscal year, a lease for the building that is used for the Northfield branch and a lease for phone equipment were both renewed. In addition, a new lease for photocopy equipment was signed.

Effective July 1, 2021, the District adopted GASB No. 87 – Leases. The revised standard is intended to increase transparency by recognizing lease assets and liabilities

Note 1: Summary of Significant Accounting Policies (Continued)

on the statement of net position and enhancing the related disclosures. Under prior standards, a lease was only recognized on the statement of net position if it met the definition of a capital lease. However, under the new standard, a lessee will be required to:

- Recognize a right-to-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of net position.
- Recognize a lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis.

The three right-to-use lease assets and related lease liabilities were calculated based on the lease payments discounted to the start date of the lease using a 4% interest rate. The right-to-use lease assets are included in capital assets and are being amortized over the remaining lease period.

See Note 5 for additional information regarding the District's lease commitments.

H. Deferred Outflows and Inflows of Resources

Deferred outflows of resources related to pension expense represent amounts related to the differences between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments and post measurement date payments.

Deferred inflows of resources may consist of two items. Deferred inflows relating to property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather, deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources. Deferred inflows related to pensions represent changes in assumptions and projected and actual experience on pension plan investments.

See Note 8 for additional information on these deferred outflows and inflows.

I. Compensated Absences

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented July 1, 2024.

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Earned but unused vacation pay is reported as an expense and a liability in the government-wide statements. In the event of termination, District employees are not reimbursed for accumulated sick leave. However, all full-time

Note 1: Summary of Significant Accounting Policies (Continued)

employees with accumulated sick leave are covered by the District’s pension plan (IMRF) and accumulated sick leave hours can be converted to IMRF credit upon retirement. Accordingly, these hours are excluded from the GASB 101 calculation.

J Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District has elected to use a December 31, 2024 measurement date. All IMRF liabilities, assets and deferred inflows and outflows are measured as of that date. This measurement date conforms to the requirements of GASB 68.

K. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other fund.

Interfund transfers are reported as operating transfers.

L. Fund Equity

The District follows GASB statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Restricted fund balances relate to the remaining property tax levies from statutorily restricted revenue funds. In the other funds, the restricted amount is from IMRF and unemployment insurance levies.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

The board of trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose.

When fund balance resources are available for a specific purpose in more than one classification, the Board determines which funding source to use first. Although not specifically assigned, due to the timing of property tax collections, the District uses year end fund balances to fund operating expenses for the next year.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: Deposits and Investments

Deposits. At year end, the carrying amount of the District's deposits, excluding petty cash of \$408, was \$3,998,655 and the bank balance was \$4,021,888. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining \$3,521,888 was collateralized with securities held by the pledging financial institution's trust department in the District's name.

Investments. The District's investments at year-end were comprised of the following:

	Weighted Average Rate	Original Cost	Fair Value
Advised Insured Deposit Account	4.250%	\$ 3,809,602	\$ 3,809,602
U.S. T – Bills	4.344%	999,450	1,005,060
Negotiable Certificates of Deposit	4.330%	746,000	745,952
		<u>\$ 5,555,052</u>	<u>\$ 5,560,614</u>

Advised Insured Deposit Account

The Advised Insured Deposit Account is an investment product that uses the IntraFi network. IntraFi is not an investment, but rather a service that helps individuals and businesses protect large cash deposits by automatically spreading the deposits across a network of FDIC-insured banks. This allows the entire deposit to be eligible for FDIC insurance, even if it exceeds the standard \$250,000 limit at a single institution.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its

Notes to Financial Statements

Note 2: Deposits and Investments (Continued)

exposure, the investment policy requires that the investments are to be held by a third-party acting as the District's agent separate from where the investment was purchased.

Credit Risk. Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk by investing primarily in obligations guaranteed by the United States Government or its agencies and negotiable certificate of deposits. However, the District's investment policy does not specifically limit the District to these types of investments. As of June 30, 2025, the District's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>
Negotiable Certificates of Deposit	Not Rated

Concentration of Credit Risk. Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific issues of securities. At June 30, 2025, there were no investments that represented a concentration of the portfolio.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District manages its exposure to declines in fair values by limiting the maturity of its investment portfolio to two years. As of June 30, 2025, the District's investments were maturing as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1-2 Years</u>
U.S. T – Bills	\$ 1,005,060	\$ 1,005,060	\$ -
Negotiable Certificates of Deposit	<u>745,952</u>	<u>745,952</u>	<u>-</u>
	<u>\$ 1,751,012</u>	<u>\$ 1,751,012</u>	<u>\$ -</u>

Note 3: Property Tax Revenue Recognition

The District's property tax was levied in November 2024 by passage of a Tax Levy Ordinance. Property taxes, which are due within the current fiscal year and collected, are recorded as revenues.

The County Assessor is responsible for assessment of all taxable real property within Cook County (County) except for certain railroad property, which is assessed directly by the State. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the governmental units their respective share of the collections.

Tax bills are to be issued on or around February 1 and July 1. Payment is due 30 days following the issuance date.

The 2024 property taxes attach as an enforceable lien on January 1, 2024. Taxes are payable in two installments on or around March 1 and August 1 (the due date in 2025 is

Notes to Financial Statements

Note 3: Property Tax Revenue Recognition (Continued)

December 15). The County collects such taxes and remits them periodically, with the majority being collected between March 2025 and December 2025.

The second installment of the 2024 property tax levy is recorded as a receivable at June 30, 2025. The second installment is not deemed available as of June 30, 2025 and is therefore reflected as deferred property taxes at June 30, 2025 in the funds balance sheet.

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, not being depreciated or amortized				
Land	\$ 349,666	\$ -	\$ -	\$ 349,666
Intangible Asset	253,903	-	-	253,903
Construction in Progress	<u>108,323</u>	<u>146,602</u>	<u>-</u>	<u>254,925</u>
Total capital assets, not being depreciated or amortized	<u>711,892</u>	<u>146,602</u>	<u>-</u>	<u>858,494</u>
Capital assets, being depreciated or amortized				
Building and Improvements	7,818,723	90,458	(21,304)	7,887,877
Furniture and Equipment	540,104	44,534	(40,956)	543,682
Computer Equipment	73,917	33,989	-	107,906
Books and Library Materials	1,897,833	270,191	(318,868)	1,849,156
Right-to-use Lease Assets	<u>111,276</u>	<u>318,170</u>	<u>(111,276)</u>	<u>318,170</u>
Total capital assets being depreciated or amortized	<u>10,441,853</u>	<u>757,342</u>	<u>(492,404)</u>	<u>10,706,791</u>
Less accumulated depreciation or amortization for				
Building and Improvements	4,500,561	286,719	(21,304)	4,765,976
Furniture and Equipment	323,323	45,236	(40,956)	327,603
Computer Equipment	36,527	14,418	-	50,945
Books and Library Materials	1,030,739	244,865	(318,868)	956,736
Right-to-use Lease Assets	<u>94,459</u>	<u>94,774</u>	<u>(111,276)</u>	<u>77,957</u>
Total accumulated depreciation and amortization	<u>5,985,609</u>	<u>686,012</u>	<u>(492,404)</u>	<u>6,179,217</u>
Total capital assets being depreciated or amortized, net	<u>4,456,244</u>	<u>71,330</u>	<u>-</u>	<u>4,527,574</u>
Capital assets, net	<u>\$ 5,168,136</u>	<u>\$ 217,932</u>	<u>\$ -</u>	<u>\$ 5,386,068</u>

Note 5: Right-to-Use Lease Assets and Payables

Right-to-use lease assets, net is included in Capital Assets and consists of:

	Balance July 1, 2024	Additions	Subtractions	Balance June 30, 2025
Lease Assets	\$ 111,276	\$ 318,170	\$ 111,276	\$ 318,170
Less: Accumulated Amortization	<u>(94,459)</u>	<u>(94,774)</u>	<u>111,276</u>	<u>(77,957)</u>
	<u>\$ 16,817</u>	<u>\$ 223,396</u>	<u>\$ -</u>	<u>\$ 240,213</u>

Notes to Financial Statements

Note 5: Right-to-Use Lease Assets and Payables (Continued)

Lease expense consists of:

Amortization expense of right-to-use lease assets	\$ 94,774
Interest on leases liability	<u>10,030</u>
	<u>\$ 104,804</u>

Leases payable consists of the following:

Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due In One Year
<u>\$ 3,988</u>	<u>\$ 318,170</u>	<u>\$ (85,694)</u>	<u>\$ 236,464</u>	<u>\$ 94,197</u>

Leases payable maturities are as follows:

	Principal	Interest	Total
Year ending June 30, 2026	\$ 94,197	\$ 8,001	\$ 102,198
Year ending June 30, 2027	81,932	3,313	85,245
Year ending June 30, 2028	25,460	2,230	27,690
Year ending June 30, 2029	26,486	1,204	27,690
Year ending June 30, 2030	<u>8,389</u>	<u>-</u>	<u>8,389</u>
	<u>\$ 236,464</u>	<u>\$ 14,748</u>	<u>\$ 251,212</u>

Note 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As such, the District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

Note 7: Long-Term Liabilities

Changes in long-term liabilities during the year were as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due In One Year
Leases Payable	\$ 3,988	\$ 318,170	\$ (85,694)	\$ 236,464	\$ 94,197
Compensated Absences	67,320	15,431	-	82,751	-
Net OPEB Liability	<u>97,349</u>	<u>5,407</u>	<u>-</u>	<u>102,756</u>	<u>-</u>
	<u>\$ 168,657</u>	<u>\$ 339,008</u>	<u>\$ (85,694)</u>	<u>\$ 421,971</u>	<u>\$ 94,197</u>

Note 8: 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 multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

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. IMRF has three benefit plans. The District participates in the Regular Plan (RP). All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 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 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

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	45
Inactive Plan Members entitled to but not yet receiving benefits	47
Active Plan Members	<u>40</u>
Total	<u><u>132</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 3.58%. For the fiscal year ended June 30, 2025 the District contributed \$77,241 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

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

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, 2024. The total pension 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 liability at December 31, 2024:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.25%.
- *Salary Increases* were expected to be 2.85% to 13.75%, including inflation.
- The *Investment Rate of Return* was assumed to be 7.25%.
- Projected *Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- The IMRF-specific rates for *Mortality* (for non-disabled retirees) were developed from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables with future mortality improvements projected using scale MP-2021.
- For *Disabled Retirees*, the Pub-2010 Amount -Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables were used with 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 were used with 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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equities	33.5%	4.35%
International Equities	18.0	5.40%
Fixed Income	24.5	5.20%
Real Estate	10.5	6.40%
Alternative Investments	12.5	4.85-6.25%
Cash Equivalents	1.0	3.60%
Total	100.0%	

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

Single Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and 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:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent 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 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 (Asset) Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2023	\$ 8,771,140	\$ 8,847,688	\$ (76,548)
Change for the year:			
Service Cost	156,909	-	156,909
Interest on the Total Pension Liability	620,930	-	620,930
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	163,030	-	163,030
Changes in Assumptions	-	-	-
Contributions - Employer	-	71,618	(71,618)
Contributions - Employees	-	89,364	(89,364)
Net Investment Income	-	879,219	(879,219)
Benefit Payments, including Refunds of Employee Contributions	(570,098)	(570,098)	-
Other (Net Transfers)	-	(91,545)	91,545
Net Changes	370,771	378,558	(7,787)
Balances at December 31, 2024	\$ 9,141,911	\$ 9,226,246	\$ (84,335)

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:

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Net Pension (Asset) Liability	\$ 829,867	\$ (84,335)	\$ (799,510)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2025, the District recognized pension expense of \$94,793. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 168,558	\$ 2,687
Changes of assumptions	-	7,445
Net difference between projected and actual earnings on pension plan investments	<u>249,666</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	418,224	10,132
Pension Contributions made subsequent to the Measurement Date, through June 30, 2025	<u>41,292</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 459,516</u>	<u>\$ 10,132</u>

Deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date were \$41,292. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2025	\$ 222,499
2026	351,652
2027	(114,876)
2028	(51,183)
Thereafter	<u>-</u>
Total	<u>\$ 408,092</u>

Note 9: Other Post-Employment Benefits

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the District provides post-employment health care benefits (OPEB) for retired employees of the District through a single employer defined benefit plan. The benefits, benefit levels, employee contributions

Note 9: Other Post-Employment Benefits (Continued)

and employer contributions are governed by the District and can be amended by the District through its personnel manual. The plan is not accounted for as a trust fund; as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits for retired employees of the District are provided through the District’s health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions.

All retirees contribute 100% of the paid premium to the plan. For the fiscal year ending June 30, 2025, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At June 30, 2025, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	25
	25

Contributions

There are no actuarially determined contributions or employer contributions as there is no Trust that exists for funding the OPEB liabilities. There are only contributions from other district resources which relate to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Net OPEB Liability

The District’s net OPEB liability of \$102,756 was measured as of June 30, 2025, and was determined by an actuarial valuation performed as of July 1, 2025.

Actuarial Assumptions and Other Inputs. The net OPEB liability in the July 1, 2024 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- The *Actuarial Valuation Method* used was the Alternative Measurement Method.
- *Salary Increases* are expected to be 2.5%, average, including inflation.
- The *Discount Rate* used was 5.20%, based on the High Quality 20-Year Tax Exempt G.O. Bond Rate.
- The *Health Care Cost Trend Rates* beginning July 1, 2024 at rates ranging from 6.80% to 7.60% reduced annually in increments ranging from .20% to .29% to 5.00%.
- *Plan Participation Rate* assumes 20% of employees currently enrolled in medical plans will participate in the plan.

Notes to Financial Statements

Note 9: Other Post-Employment Benefits (Continued)

- *Retirement Rates* used were Age 61 for Tier 1 IMRF Employees and Age 62 for Tier II IMRF employees.
- *Retiree Lapse Rates* used was 100% at age 65 once Medicare eligible.
- *Mortality Rates* follows the Sex Distinct Raw Rates as developed in the PubG-2010(B) Study. These rates are improved generationally using MP-2020 Improvement Rates.
- *Spouse Mortality* follows the Sex Distinct Raw Rates as developed in the PubG-2010(B) Study. These rates are improved generationally using MP-2020 Improvement Rates.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>OPEB Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2024	\$ 97,349	\$ -	\$ 97,349
Changes for the Year:			
Service Cost	15,279	-	15,279
Interest	3,759	-	3,759
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	(10,248)	-	(10,248)
Contributions - Employer	-	3,383	(3,383)
Contributions - Employee	-	-	-
Benefit Payments	(3,383)	(3,383)	-
Administrative Expense	-	-	-
Net Changes	<u>5,407</u>	<u>-</u>	<u>5,407</u>
Balance at June 30, 2025	<u>\$ 102,756</u>	<u>\$ -</u>	<u>\$ 102,756</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability, calculated using a Single Discount Rate of 3.93%, as well as what the plan's total OPEB liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	<u>1% Lower (4.20%)</u>	<u>Current (5.20%)</u>	<u>1% Higher (6.20%)</u>
Net Pension Liability	<u>\$ 110,765</u>	<u>\$ 102,756</u>	<u>\$ 95,212</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the sensitivity of the net OPEB Liability to the Healthcare Cost Trend Rates assumption:

	<u>1% Decrease (Varies)</u>	<u>Healthcare Cost Trend Rates (Varies)</u>	<u>1% Increase (Varies)</u>
Net OPEB Liability	<u>\$ 89,877</u>	<u>\$ 102,756</u>	<u>\$ 117,973</u>

Notes to Financial Statements

Note 9: Other Post-Employment Benefits (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2025, the District recognized OPEB expense of \$5,407. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Total Deferred Amounts Related to OPEB	<u>\$ -</u>	<u>\$ -</u>

Note 10: Deficit Fund Balance

The Building and Equipment Fund had a deficit fund balance of \$59,901 at June 30, 2025. The General Fund advanced resources to the Building and Equipment Fund to cover the shortfall. The District expects future property tax revenue to cover this deficit.

Note 11: Jointly Governed Organization

The District participates in Cooperative Computer Services (CCS). CCS is an intergovernmental instrumentality formed by library members of the former North Suburban Library System and exists to administer a jointly owned integrated library automation system. CCS’s governing board is comprised of one member from each participating library.

No participant has any obligation, entitlement, or residual interest in CCS. In order to terminate membership in CCS, member libraries must provide one-year notice of termination. The District’s expenditures to CCS for the year ended June 30, 2025 were \$71,513. The District received rebates of \$5,316 during the year as well.

Note 12: Kenilworth Public Library District Agreement

The Kenilworth Public Library District has entered into an agreement with the Winnetka-Northfield and Wilmette Public Library Districts (Winnetka-Northfield and Wilmette Libraries) dated July 1, 2023, which provides that the Winnetka-Northfield and Wilmette Libraries will provide library services to the residents of the Kenilworth Public Library District through June 30, 2028. Contractual amounts for services and administrative fees are paid by Kenilworth Public Library District and divided between Winnetka-Northfield and Wilmette Libraries.

Payments are made to the Winnetka-Northfield and Wilmette Libraries based on physical circulation for each library attributed to a Kenilworth residence and increase 4.9% each year for the duration of the contract.

Notes to Financial Statements

Note 12: Kenilworth Public Library District Agreement (Continued)

During the year ended June 30, 2025, Kenilworth paid \$119,301 to Winnetka-Northfield Public Library District.

Note 13: Adjustments

Amounts reported in the statement of net position are different from the governmental funds balance sheet because:

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	\$ 5,386,068
Net Pension Asset	84,335
Deferred outflows (inflows), net, related to: IMRF Pension	449,384
Liabilities for compensated absences, which will not mature in the current period, are not included in the governmental fund balances and, therefore, are deducted from net position.	(82,751)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet:	
Leases Payable	(236,464)
Net OPEB Liability	<u>(102,756)</u>
	<u>\$ 5,497,816</u>

Amounts reported on the statement of activities are different from governmental funds statement of revenues, expenditures and changes in fund balances because:

The government funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense (\$903,944 less \$686,012).	\$ 217,932
Recognizing the change in pension expense relating to change in deferred outflows, deferred inflows and net pension (asset) obligation.	(17,552)
The government funds recognize right-to-use lease proceeds as other financing sources; however, the right-to-use lease proceeds are recognized as a payable in the government-wide financial statements.	(318,170)
Removal of leases liability principal payments from the statement of activities.	85,694
Recognizing the expense relating to the change in other post-employment benefits.	(5,407)
Other differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:	
Changes in compensated absences	<u>(15,431)</u>
	<u>\$ (52,934)</u>

Notes to Financial Statements

Note 14: Commitments

In 2023, the District started an expansion project at the Northfield branch and in 2025, the District started improvements and security enhancements at the Winnetka branch. The total cost of these projects is expected to be approximately \$5,800,000. As of June 30, 2025, the Board has approved various contracts related to the project totaling \$1,149,934. The District has paid or accrued \$266,112 toward these commitments leaving a balance of \$883,822 due on the contracts.

Required Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 156,909	\$ 138,061	\$ 123,405	\$ 113,944	\$ 115,505	\$ 115,073	\$ 121,575	\$ 139,374	\$ 150,440	\$ 125,771
Interest on the Total Pension Liability	620,930	595,030	614,598	596,218	592,469	574,460	578,681	592,482	587,688	543,663
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	163,030	185,715	(474,104)	110,255	34,150	119,669	(148,031)	(93,761)	(148,728)	388,546
Changes of Assumptions	-	(22,081)	-	-	(110,471)	-	212,096	(274,230)	(8,805)	8,791
Benefit Payments and Refunds	(570,098)	(527,729)	(554,522)	(588,748)	(569,568)	(552,475)	(553,981)	(523,989)	(519,212)	(444,066)
Net Change in Total Pension Liability	370,771	368,996	(290,623)	231,669	62,085	256,727	210,340	(160,124)	61,383	622,705
Total Pension Liability – Beginning	8,771,140	8,402,144	8,692,767	8,461,098	8,399,013	8,142,286	7,931,946	8,092,070	8,030,687	7,407,982
Total Pension Liability – Ending (A)	<u>\$ 9,141,911</u>	<u>\$ 8,771,140</u>	<u>\$ 8,402,144</u>	<u>\$ 8,692,767</u>	<u>\$ 8,461,098</u>	<u>\$ 8,399,013</u>	<u>\$ 8,142,286</u>	<u>\$ 7,931,946</u>	<u>\$ 8,092,070</u>	<u>\$ 8,030,687</u>
Plan Fiduciary Net Position										
Contributions – Employer	\$ 71,618	\$ 46,443	\$ 82,495	\$ 118,453	\$ 119,214	\$ 82,069	\$ 133,622	\$ 129,677	\$ 131,956	\$ 108,949
Contributions – Employee	89,364	81,320	73,366	64,068	59,082	53,601	58,721	67,133	67,277	64,121
Net Investment Income	879,219	899,396	(1,362,766)	1,595,625	1,233,777	1,426,547	(513,319)	1,353,676	498,722	36,024
Benefit Payments and Refunds	(570,098)	(527,729)	(554,522)	(588,748)	(569,568)	(552,475)	(553,981)	(523,989)	(519,212)	(444,066)
Other (Net Transfer)	(91,545)	270,895	(607,789)	20,054	45,693	71,881	(4,186)	(213,511)	(80,518)	129,911
Net Change in Plan Fiduciary Net Position	378,558	770,325	(2,369,216)	1,209,452	888,198	1,081,623	(879,143)	812,986	98,225	(105,061)
Plan Fiduciary Net Position - Beginning	8,847,688	8,077,363	10,446,579	9,237,127	8,348,929	7,267,306	8,146,449	7,333,463	7,235,238	7,340,299
Plan Fiduciary Net Position – Ending (B)	<u>\$ 9,226,246</u>	<u>\$ 8,847,688</u>	<u>\$ 8,077,363</u>	<u>\$ 10,446,579</u>	<u>\$ 9,237,127</u>	<u>\$ 8,348,929</u>	<u>\$ 7,267,306</u>	<u>\$ 8,146,449</u>	<u>\$ 7,333,463</u>	<u>\$ 7,235,238</u>
Net Pension (Asset)/Liability – Ending (A) – (B)	<u>\$ (84,335)</u>	<u>\$ (76,548)</u>	<u>\$ 324,781</u>	<u>\$ (1,753,812)</u>	<u>\$ (776,029)</u>	<u>\$ 50,084</u>	<u>\$ 874,980</u>	<u>\$ (214,503)</u>	<u>\$ 758,607</u>	<u>\$ 795,449</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.92%	100.87%	96.13%	120.18%	109.17%	99.40%	89.25%	102.70%	90.63%	90.09%
Covered Valuation Payroll	2,000,494	1,807,117	1,630,345	1,432,721	1,312,929	1,191,126	1,304,908	1,308,561	1,302,626	1,338,450
Net Pension (Asset)/Liability as a Percentage of Covered Valuation Payroll	-4.22%	-4.24%	19.92%	-122.41%	-59.11%	4.20%	67.05%	-16.39%	58.24%	59.43%

Required Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 108,949	\$ 108,949	-	\$ 1,338,450	8.14%
2016	131,956	131,956	-	1,302,626	10.13%
2017	129,677	129,677	-	1,308,561	9.91%
2018	133,622	133,622	-	1,304,908	10.24%
2019	82,069	82,069	-	1,191,126	6.89%
2020	119,214	119,214	-	1,312,929	9.08%
2021	118,453	118,453	-	1,423,721	8.32%
2022	82,495	82,495	-	1,630,345	5.06%
2023	46,443	46,443	-	1,807,117	2.57%
2024	71,618	71,618	-	2,000,494	3.58%

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2024 Contribution Rates:

Actuarial Cost Method: Aggregate entry age = normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 19-year closed period
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 2.75%
Price Inflation: 2.25% approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases: 2.75% to 13.75%, including inflation
Investment Rate of Return: 7.25%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 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

Required Supplementary Information

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.

Required Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED JUNE 30,

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 15,279	\$ 2,347	\$ 2,404	\$ 2,667	\$ 2,466	\$ 992	\$ 2,065	\$ 1,988
Interest	3,759	4,447	4,284	3,772	3,784	3,943	4,104	4,077
Changes on Benefit Terms	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	(29,267)	-	(10,676)	-	26,540	-	-
Changes in Assumptions	(10,248)	(418)	(2,058)	(43,654)	1,307	29,947	5,112	-
Benefit Payments	(3,383)	(3,184)	(4,451)	(7,023)	(1,196)	(4,567)	(4,784)	(5,933)
Net Change in Total OPEB Liability	5,407	(26,075)	179	(54,914)	6,361	56,855	6,497	132
Total OPEB Liability - Beginning	97,349	123,424	123,245	178,159	171,798	114,943	108,446	108,314
Total OPEB Liability - Ending (a)	\$ 102,756	\$ 97,349	\$ 123,424	\$ 123,245	\$ 178,159	\$ 171,798	\$ 114,943	\$ 108,446
OPEB Plan Net Position								
Contributions - Employer	\$ 3,383	\$ 3,184	\$ 4,451	\$ 7,023	\$ 1,196	\$ 4,567	\$ 4,784	\$ 5,933
Contributions - Employee	-	-	-	-	-	-	-	-
Contributions - Other	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-
Benefit Payments	(3,383)	(3,184)	(4,451)	(7,023)	(1,196)	(4,567)	(4,784)	(5,933)
Administrative Expense	-	-	-	-	-	-	-	-
Employer Net Change in OPEB Plan Net Position	-							
OPEB Plan Net Position - Beginning	-	-	-	-	-	-	-	-
OPEB Plan Net Position - Ending (b)	\$ -							
Net OPEB Liability - Ending (a) - (b)	\$ 102,756	\$ 97,349	\$ 123,424	\$ 123,245	\$ 178,159	\$ 171,798	\$ 114,943	\$ 108,446
OPEB Plan Net Position as a Percentage of Net OPEB Liability	0.00%							
Covered-Employee Payroll	\$ 2,395,446	\$ 1,639,041	\$ 1,488,811	\$ 1,319,728	\$ 1,516,233	\$ 1,119,288	\$ 1,097,180	\$ 1,211,591
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	4.29%	5.94%	8.29%	9.34%	11.75%	15.35%	10.48%	8.95%

Note to Schedule: This is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Required Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual as a Percentage of Covered Valuation Payroll
2018	N/A	-	N/A	1,211,591	0.0%
2019	N/A	-	N/A	1,097,180	0.0%
2020	N/A	-	N/A	1,119,288	0.0%
2021	N/A	-	N/A	1,516,233	0.0%
2022	N/A	-	N/A	1,319,728	0.0%
2023	N/A	-	N/A	1,488,811	0.0%
2024	N/A	-	N/A	1,639,041	0.0%
2025	N/A	-	N/A	2,395,446	0.0%

Notes to the Required Supplementary Information

There is no Actuarially Determined Contribution (ADC) or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the District did make contributions from other District resources in the current year in the amount of \$3,383 as a pass-thru.

Required Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS, APPROPRIATIONS, AND WORKING BUDGET COMPARED TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL FUND		
	APPROPRIATION - ORIGINAL AND FINAL	FINAL WORKING BUDGET	ACTUAL
REVENUES			
Property Taxes	\$ 4,551,670	\$ 4,551,670	\$ 4,659,080
Replacement Taxes	45,000	45,000	50,643
Grants	27,465	27,465	27,465
Kenilworth Service Contract	134,850	134,850	119,301
Fines, Fees, Services, Interest and Other	270,450	270,450	302,802
Contributions	18,500	18,500	30,000
Total Revenues	5,047,935	5,047,935	5,189,291
EXPENDITURES			
Personnel	3,121,525	2,837,750	2,730,766
Library Materials and Services	909,205	826,550	868,535
Computer Services	300,300	273,000	298,724
Administrative	388,223	352,930	330,005
Capital Outlay	682,000	620,000	556,893
Insurance	-	-	-
Maintenance	-	-	-
Audit	-	-	-
Contingency	-	-	-
Total Expenditures	5,401,253	4,910,230	4,784,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (353,318)	\$ 137,705	\$ 404,368

Budgets are adopted on a basis consistent with generally accepted accounting principles.
All annual appropriations lapse at fiscal year end.

Required Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

BUILDING & EQUIPMENT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS, APPROPRIATIONS, AND WORKING BUDGET COMPARED TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL FUND		
	APPROPRIATION - ORIGINAL AND FINAL	WORKING BUDGET	ACTUAL
REVENUES			
Property Taxes	\$ 399,690	\$ 399,690	401,923
Total Revenues	399,690	399,690	401,923
EXPENDITURES			
Building and Equipment	403,687	399,690	336,937
Total Expenditures	403,687	399,690	336,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,997)	\$ -	\$ 64,986

Budgets are adopted on a basis consistent with generally accepted accounting principles.
All annual appropriations lapse at fiscal year end.

Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2025

	<u>IMRF</u>	<u>UNEMPLOYMENT INSURANCE</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Investments	\$ 12,012	\$ 54,183	\$ 66,195
Total Assets	<u>\$ 12,012</u>	<u>\$ 54,183</u>	<u>\$ 66,195</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	-
FUND BALANCES			
Fund Balances	12,012	54,183	66,195
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 12,012</u>	<u>\$ 54,183</u>	<u>\$ 66,195</u>

Supplementary Information

WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2025

	<u>IMRF</u>	<u>UNEMPLOYMENT INSURANCE</u>	<u>TOTAL</u>
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
IMRF	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
FUND BALANCES			
Beginning of Year	<u>12,012</u>	<u>54,183</u>	<u>66,195</u>
End of Year	<u>\$ 12,012</u>	<u>\$ 54,183</u>	<u>\$ 66,195</u>