

ACORN PUBLIC LIBRARY
DISTRICT, ILLINOIS
Annual Financial Report
For the Year Ended June 30, 2023

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

CONTENTS

For the Year Ended June 30, 2023

	<u>Pages</u>
Independent Auditor's Report	1-3
Other Information:	
Management's Discussion and Analysis - Unaudited	4-12
Financial Statements:	
Government-wide Statement of Net Position – Modified Cash Basis	13
Government-wide Statement of Activities and Changes in Net Position – Modified Cash Basis	14
Combined Balance Sheet - Governmental Funds	15
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
Reconciliation of the Governmental Fund Balance to the Statement of Net Position and the Statement of Activities and Changes in Net Position	17
Notes to The Basic Financial Statements	18-31
Other Information:	
General Fund – Schedule of Expenditures – Appropriations and Actual	32-33
General Fund - Schedule of Revenues - Estimated and Actual	34
Liability Insurance Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriation and Actual	35
Building Maintenance Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriation and Actual	36

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

CONTENTS

For the Year Ended June 30, 2023

	<u>Pages</u>
Trend Information for IMRF funding:	
Multi-Year Schedule of Changes in Net Pension Liability and Related Ratios	37
Multi-year Schedule of Contributions	38
Notes to Other Information	39-40

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Acorn Public Library District
15624 S. Central Avenue
Oak Forest, IL 60452

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Acorn Public Library District, Illinois (Library), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Acorn Public Library District, Illinois 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 modified cash basis financial position of the governmental activities and each major fund of Acorn Public Library District, Illinois, as of June 30, 2023, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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 Acorn Public Library District, Illinois, 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.

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Acorn Public Library District, Illinois 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 Acorn Public Library District, Illinois 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.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison information and pension schedules, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "GW & Associates, P.C." in a cursive, slightly stylized font.

GW & Associates, P.C.
Hillside, Illinois
October 31, 2023

OTHER INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

*Management's Discussion and Analysis - Unaudited
For the Year Ended June 30, 2023*

As management of the Acorn Public Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at June 30, 2023 by \$3,077,936 (*net position*). Of this amount, \$1,120,911 (*unrestricted net position*) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position increased by \$237,248.
- At June 30, 2023, the Library's governmental funds reported combined ending fund balances of \$1,270,984, a decrease of \$89,923 from the prior year.
- At June 30, 2023, the fund balance for the General Fund was \$1,641,725.
- The Library's total net capital assets increased by \$305,171 during the year ended June 30, 2023, due to the renovation of restrooms and roof replacement, less depreciation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

The Statement of Activities presents information showing how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited
For the Year Ended June 30, 2023

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the financial statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Other information consists of more detailed data on budget to actual revenues and expenditures.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain other information concerning the Library's changes in net pension liability and related ratios and contributions to the Illinois Municipal Retirement Plan.

The Library adopts an annual budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$3,077,936 at June 30, 2023.

Of the Library's net position, \$1,806,952 reflects its investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2023

An additional portion of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance unrestricted net position of \$1,120,911 may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2023, the Library is able to report positive balances in all three categories of net position. The Library's net position increased by \$237,248 during the year ended June 30, 2023.

Acorn Public Library District's Net Position

	<u>6/30/2022</u>	<u>6/30/2023</u>
Current and Other Assets	\$ 1,360,907	\$ 1,270,984
Capital Assets	<u>1,678,781</u>	<u>1,983,952</u>
Total Assets	<u><u>\$ 3,039,688</u></u>	<u><u>\$ 3,254,936</u></u>
Bonds Payable	<u>\$ 199,000</u>	<u>\$ 177,000</u>
Total Liabilities	<u>199,000</u>	<u>177,000</u>
Net Position:		
Net Investment in Capital Assets	1,479,781	1,806,952
Restricted - Net Position	80,547	150,073
Unrestricted - Net Position	<u>1,280,360</u>	<u>1,120,911</u>
Total Net Position	<u><u>\$ 2,840,688</u></u>	<u><u>\$ 3,077,936</u></u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2023

Governmental activities

Governmental activities increased the Library's net position by \$237,248. Key elements of the change to net position by governmental activities are as follows:

Acorn Public Library District Changes in Net Position

	<u>6/30/2022</u>	<u>6/30/2023</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 29,222	\$ 27,903
Operating Grants and Contributions	97,565	48,443
General Revenues:		
Property Taxes	1,207,881	1,207,123
Replacement Taxes	49,383	55,814
Interest	3,851	38,068
Other	4,352	4,963
Total Revenues	<u>1,392,254</u>	<u>1,382,314</u>
Expenditures		
General Government	1,113,704	1,137,016
Debt Service	8,910	8,050
Total Expenditures	<u>1,122,614</u>	<u>1,145,066</u>
Change in Net Position	269,640	237,248
Net Position, Beginning of Year	<u>2,571,048</u>	<u>2,840,688</u>
Net Position, End of Year	<u>\$ 2,840,688</u>	<u>\$ 3,077,936</u>

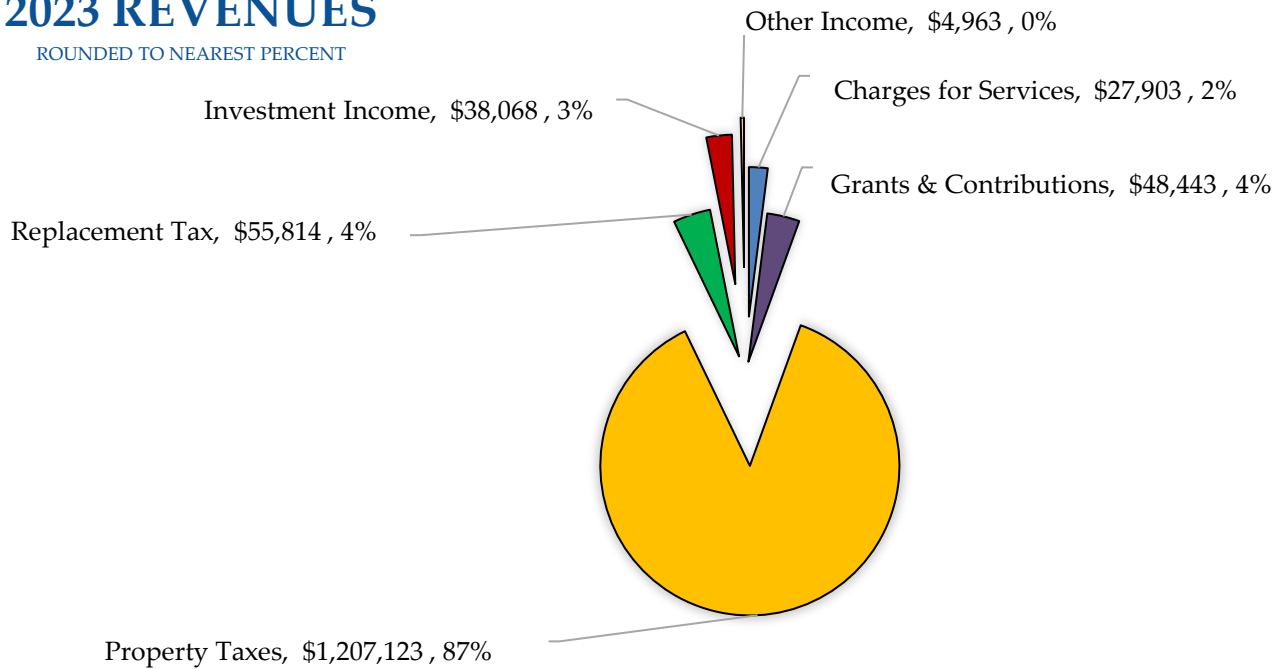
ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2023

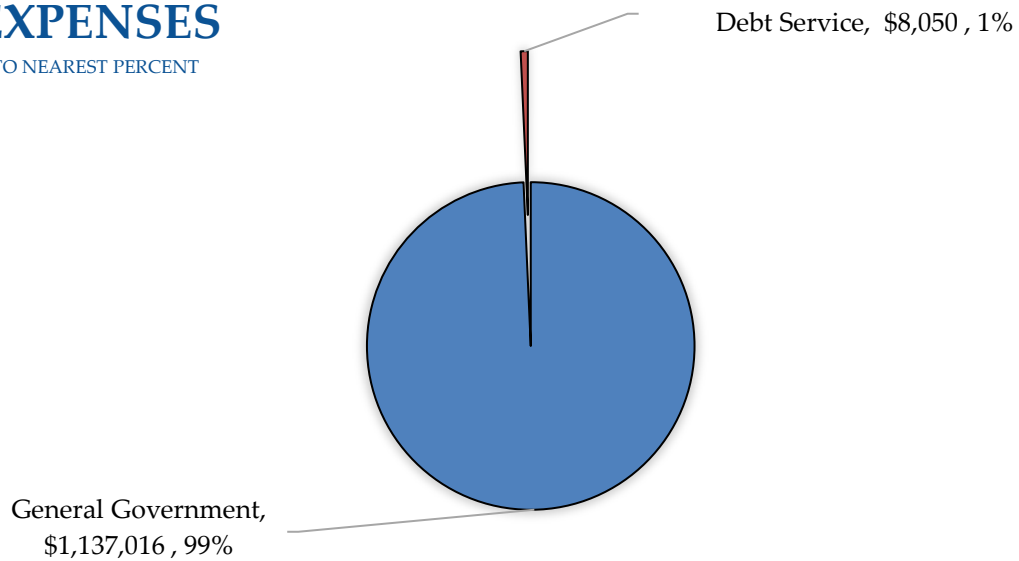
2023 REVENUES

ROUNDED TO NEAREST PERCENT



2023 EXPENSES

ROUNDED TO NEAREST PERCENT



ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

At June 30, 2023, the Library's governmental funds reported combined ending fund balances of \$1,270,984 a decrease of \$89,923 in comparison with the prior year, primarily due to the roof replacement and bathroom renovation costs.

The General Fund is the chief operating fund of the Library. At June 30, 2023, the fund balance of the General Fund was \$1,641,725. This represents an increase of \$208,941 compared to the prior fiscal year.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget for the year ended June 30, 2023. Total differences between the budget and the actual revenues and expenditures are summarized as follows:

- The General Fund actual revenues were less than estimated revenues by \$16,649.
- The General Fund actual expenditures were less than estimated expenditures by \$478,291.

CAPITAL ASSETS

The Library's capital assets for its governmental activities as of June 30, 2023 amount to \$1,983,952 (net of accumulated depreciation). This investment in fixed assets includes land, buildings, furniture, fixtures, and equipment.

Major capital asset events during the current fiscal year included the following:

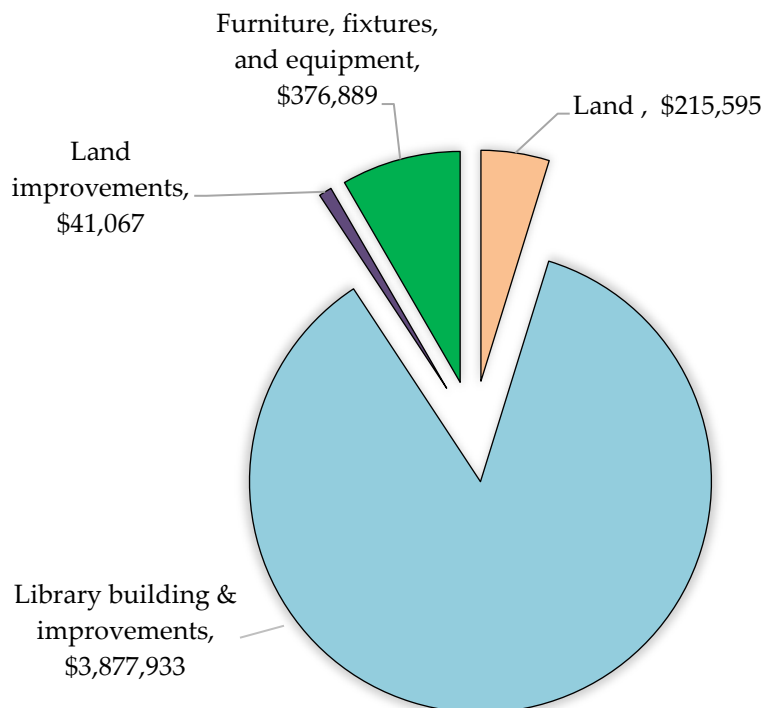
	Balance July 1, 2022	Additions	Balance June 30, 2023
Land	\$ 215,595	\$ -	\$ 215,595
Library building & improvements	3,495,373	382,560	3,877,933
Furniture, fixtures, and equipment	374,400	2,489	376,889
Land improvements	41,067	-	41,067
Total	4,126,435	385,049	4,511,484
Accumulated depreciation	2,447,654	79,878	2,527,532
Net Capital Assets	\$1,678,781	\$305,171	\$ 1,983,952

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2023

CAPITAL ASSETS, AT COST



ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2023

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Library for 2022 is \$516,879,499. That represents a decrease in EAV of \$14,507,782 over the prior year's EAV. Taxes recorded in these financial statements are distributions received from the second half of the 2021 levy and the first half of the 2022 levy. A summary of the assessed valuations and extensions for tax years 2022, 2021, and 2020 is as follows:

ASSESSED VALUATIONS, EXTENDED TAX RATES PERCENTAGE ALLOCATIONS AND AMOUNTS BY FUNDS

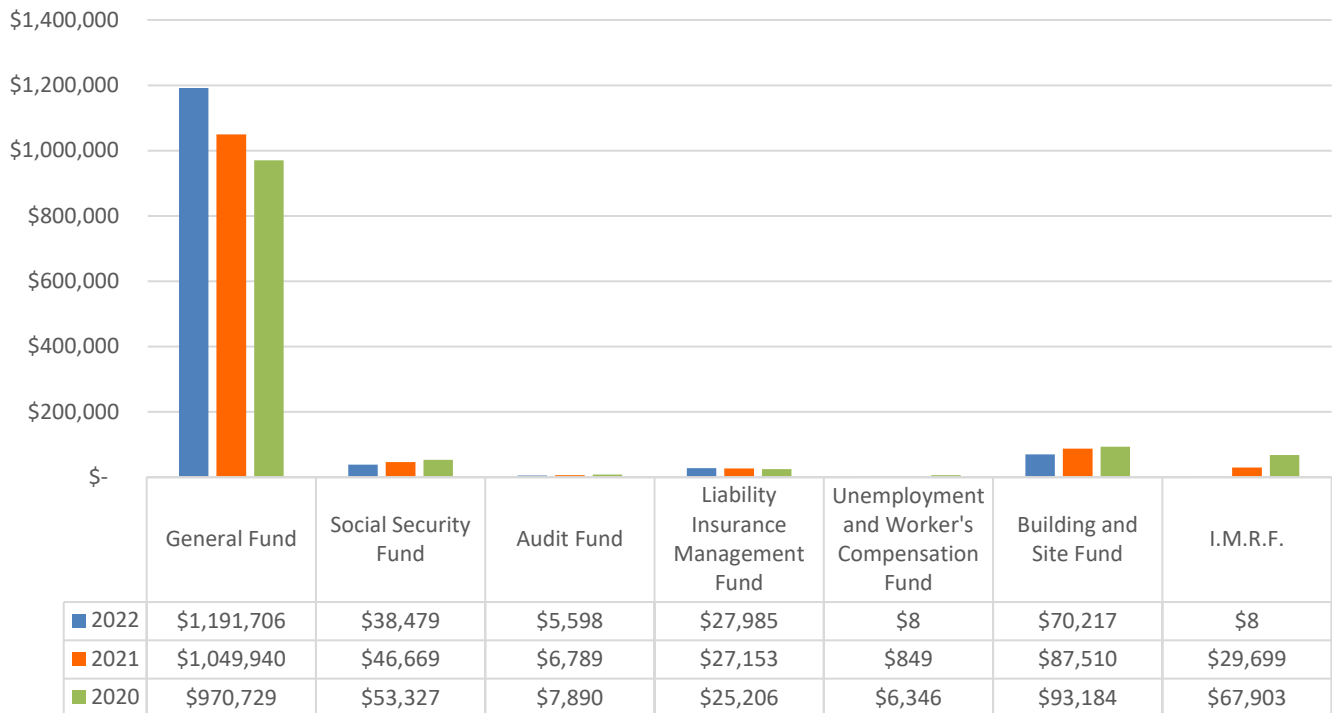
Tax Levy Year	2022		2021		2020	
Assessed Valuation						
Cook County	\$	516,879,499	\$	531,129,872	\$	582,899,322
Tax Rates and Percentage Allocations by Fund						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.2305	51.10	0.1977	81.29	0.1665	79.29
Social Security Fund	0.0110	2.44	0.0107	4.40	0.0091	4.33
Audit Fund	0.0016	0.35	0.0016	0.66	0.0014	0.67
Liability Insurance and Management Fund	0.0080	1.77	0.0062	2.55	0.0043	2.05
Unemployment and Worker's Compensation Fund	0.0000	-	0.0002	0.08	0.0011	0.52
Building and Site Fund	0.2000	44.34	0.0200	8.22	0.0160	7.62
I.M.R.F.	0.0000	-	0.0068	2.80	0.0116	5.52
Totals	0.4511	100.00	0.2432	100.00	0.2100	100.00
Property Tax Extensions						
Funds	2022		2021		2020	
General Fund	\$1,191,706		\$1,049,940		\$ 970,729	
Social Security Fund	38,479		46,669		53,327	
Audit Fund	5,598		6,789		7,890	
Liability Insurance and Management Fund	27,985		27,153		25,206	
Unemployment and Worker's Compensation Fund	8		849		6,346	
Building and Site Fund	70,217		87,510		93,184	
I.M.R.F.	8		29,699		67,903	
Totals	\$1,334,001		\$1,248,609		\$1,224,585	

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2023

Property Tax Extensions



Description of Current or Expected Conditions

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Library in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Library Director, 15624 Central Ave., Oak Forest, IL 60452.

BASIC FINANCIAL STATEMENTS

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Government-wide Statement of Net Position - Modified Cash Basis

June 30, 2023

Assets	
Cash, at cost	\$ 1,270,984
Capital assets not being depreciated	215,595
Capital assets being depreciated, net of depreciation	1,768,357
Total Assets	3,254,936
 Liabilities	
Bonds payable - current portion	23,000
Bonds payable - noncurrent	154,000
Total Liabilities	177,000
 Net Position	
Net investment in capital assets	1,806,952
Restricted	150,073
Unrestricted	1,120,911
Total Net Position	\$ 3,077,936

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Government-wide Statement of Activities and Changes in Net Position - Modified Cash Basis

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense)/Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General Government	\$ 1,137,016	\$ 27,903	\$ 48,443	\$ -	\$ (1,060,670)
Debt Service - interest payments	8,050	-	-	-	(8,050)
Total Governmental Activities	\$ 1,145,066	\$ 27,903	\$ 48,443	\$ -	(1,068,720)
General Revenues					
					1,207,123
					55,814
					38,068
					4,963
					1,305,968
					237,248
					2,840,688
					\$ 3,077,936

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Combined Balance Sheet - Governmental Funds

June 30, 2023

	General	Liability Insurance	Building & Maintenance	Total
Assets				
Cash and investments, at cost	\$ 1,269,109	\$ 1,875	\$ -	\$ 1,270,984
Due from other funds	372,616	-	-	372,616
Total Assets	\$ 1,641,725	\$ 1,875	\$ -	\$ 1,643,600
Liabilities				
Due to General Fund	\$ -	\$ -	\$ 372,616	\$ 372,616
Total Liabilities	-	-	372,616	372,616
Fund Balance				
Nonspendable	-	-	-	-
Restricted - Liability Insurance	-	1,875	-	1,875
Restricted - Social Security	6,311	-	-	6,311
Restricted - Unemployment	37,068	-	-	37,068
Restricted - IMRF	103,794	-	-	103,794
Restricted - Audit	1,025	-	-	1,025
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,493,527	-	(372,616)	1,120,911
Total Fund Balance	1,641,725	1,875	(372,616)	1,270,984
Total Liabilities and Fund Balance	\$ 1,641,725	\$ 1,875	\$ -	\$ 1,643,600

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds For the Year Ended June 30, 2023

	General	Liability Insurance	Building & Maintenance	Total
Revenues				
Property taxes - current year	\$ 593,203	\$ 13,433	\$ 33,705	\$ 640,341
Property taxes - prior year	514,733	12,326	39,723	566,782
Replacement taxes	55,814	-	-	55,814
Fines and fees	27,903	-	-	27,903
Per Capita grant	45,334	-	-	45,334
Gifts and donations	3,109	-	-	3,109
Interest	38,068	-	-	38,068
Other	4,963	-	-	4,963
Total Revenues	1,283,127	25,759	73,428	1,382,314
Expenditures				
Salaries and benefits	688,388	-	24,960	713,348
Materials	74,662	-	5,706	80,368
Contractual services	20,892	24,456	342,929	388,277
Operating expenses	75,100	-	-	75,100
Auxiliary programs	12,809	-	-	12,809
Capital equipment	172,285	-	-	172,285
Principal debt payments	22,000	-	-	22,000
Interest	8,050	-	-	8,050
Total Expenditures	1,074,186	24,456	373,595	1,472,237
Net Change in Fund Balance	208,941	1,303	(300,167)	(89,923)
District Fund Balance				
Balance, beginning of year	1,432,784	572	(72,449)	1,360,907
Total District Fund Balance	\$ 1,641,725	\$ 1,875	\$ (372,616)	\$ 1,270,984

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Reconciliation of the Governmental Fund Balance to the Statement of Net Position and the Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2023

Reconciliation of the Governmental Fund Balance to the Statement of Net Position

Total Fund Balances - Total Governmental Funds	\$ 1,270,984
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,983,952
Bond outstanding are not shown as liabilities in the funds	(177,000)
Net Position of Government	\$ 3,077,936

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to The Statement of Activities and Changes in Net Position

Net Change in Fund Balance - Governmental Funds	\$ (89,923)
Amounts reported for governmental activities in the Statement of Revenues, Expenditures, and Changes in Fund Balance are different because:	
Capital expenditures are recorded as assets and are not expensed in the Statement of Activities	385,049
Depreciation is shown as an expense in the Statement of Activities and not in the governmental funds	(79,878)
Debt repayment is not an expense in the Statement of Activities but is an expense the in governmental funds	22,000
Changes in Net Position	\$ 237,248

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

NOTES TO THE BASIC
FINANCIAL STATEMENTS

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Acorn Public Library District (Library) conform to the modified cash basis of accounting and other comprehensive basis of accounting as applicable to governmental units. The following is a summary of the significant accounting policies:

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Library's overall financial position and results of operations
- A change in the fund financial statements to focus on the major funds

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

REPORTING ENTITY -

The Library is located in Oak Forest, Illinois and is governed by a board. The Library is primarily funded through a tax levy, fines and fees, and charitable donations. Revenue is used to operate and staff the Library. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Library, there are no component units to be included in these financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION -

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds).

GOVERNMENT-WIDE FINANCIAL STATEMENTS -

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities and Changes in Net Position) are reported using the economic resources measurement focus. Revenue is recorded when received and expenses are recorded when paid. Property taxes are recognized as revenue in the year received. Grants and similar items are recognized as revenue when received.

The statement of net position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Activities and Changes in Net Position demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to library patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenue is recognized when received and expenditures are recorded when paid. Assets of a fund are only recorded when a right to receive cash exists from a previous cash transaction. Liabilities of a fund result from previous cash transactions. Modified cash basis financial statements omit recognition of receivables and payables and other accrued or deferred items that do not arise from previous transactions. The primary sources of revenue are property taxes, state-shared revenue, fines, fees, grants, donations and interest.

THE LIBRARY REPORTS THE FOLLOWING MAJOR GOVERNMENTAL FUNDS –

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library, except those required to be accounted for in another fund, while the Library Special Revenue Funds account for the resources associated with restricted expenditures the Library considers all funds to be major funds. The Library has no Special Revenue Funds.

FINANCIAL STATEMENT AMOUNTS -

Bank Deposits and Investments - The Library has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Library maintains a cash and investment pool which is available for use by the General and Special Revenue Funds.

The Library's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts and deposits in the Illinois Funds.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

Property taxes are levied on December 1st based on the taxable valuation of the property as of the preceding December 31st.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

*Notes to The Basic Financial Statements
For the Year Ended June 30, 2023*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets - Capital assets are defined by the Library as assets with an initial cost of more than \$2,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at acquisition value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	20-40 years
Equipment, furniture and fixtures	5-20 years

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

The Library has a pension plan covering substantially all the full-time employees and part-time employees working 1,000 or more hours per year. Employees are covered by the Illinois Municipal Retirement Fund.

The budget represents departmental appropriations as authorized by the Library's appropriation ordinance and includes revisions authorized by the Library Board to reflect changes in departmental programs. At June 30, 2023, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2022-23 appropriations ordinance was adopted September 14, 2022.

GOVERNMENTAL FUND BALANCES –

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Library is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

NONSPENDABLE –

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Library has classified no items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

GOVERNMENTAL FUND BALANCES – (CONCLUDED)

RESTRICTED –

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

COMMITTED –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Library Board of Trustees. These amounts cannot be used for any other purpose unless the Library Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Library did not have any committed resources as of June 30, 2023.

ASSIGNED –

This classification includes amounts that are constrained by the Library's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Library Board of Trustees or through the Library Board delegating this responsibility to the Library manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

UNASSIGNED –

This classification includes the residual fund balance for the General Fund and the amount established for minimum funding which represents the portion of the General Fund balance that has been established by the board and management, to be used for debt service or in emergency situations. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Library would typically use Restricted Fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

NOTE 2 – CASH AND INVESTMENTS

The Library's investment policies are governed by state statutes whereby Library money must be deposited in FDIC - insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (CONCLUDED)

The Library's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the Library at June 30, 2023. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Uncollateralized.

	Category			Bank Balance	Carrying Value
	1	2	3		
Pooled deposits					
Checking/Savings	\$ 444,520	\$ -	\$ -	\$ 444,520	\$ 441,981
Illinois Funds	-	-	-	829,003	829,003
Totals	\$ 444,520	\$ -	\$ -	\$ 1,273,523	\$ 1,270,984

NOTE 3 – CHANGES IN CAPITAL ASSETS

Governmental Type Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable capital assets				
Land	\$ 215,595	\$ -	\$ -	\$ 215,595
Depreciable capital assets				
Building & Improvements	3,495,373	382,560	-	3,877,933
Furniture & Equipment	374,400	2,489	-	376,889
Land Improvements	41,067	-	-	41,067
Total depreciable capital assets	3,910,840	385,049	-	4,295,889
Less accumulated depreciation				
Building & Improvements	2,110,287	66,656	-	2,176,943
Furniture & Equipment	321,826	11,018	-	332,844
Land Improvements	15,541	2,204	-	17,745
Total accumulated depreciation	2,447,654	79,878	-	2,527,532
Total net depreciable capital assets	1,463,186	\$ 305,171	\$ -	1,768,357
Total net capital assets	\$ 1,678,781			\$ 1,983,952

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 4 - GENERAL OBLIGATION BONDS

The District issued general obligation bonds Dated October 28, 2010 with The Depository Trust Company in the amount of \$800,000 for a building remodeling project. The bonds were issued with interest rate from 3.50%-4.30% and will mature on December 1, 2029.

Bonds dated	October 28, 2010
Final payment date	December 1, 2029
Interest rate (range)	3.5% to 4.3%

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

Governmental Activities: Long-Term Debt	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amounts Due Within One Year
General Obligation Refunding Bonds - October 28, 2010	\$ 199,000	\$ -	\$ 22,000	\$ 177,000	\$ 23,000
Total Long-Term Debt	199,000	-	22,000	177,000	23,000

Long-term liabilities at June 30, 2023	Maturity Dates	Interest Rates	Face Amount	Carrying Amount
Governmental Activities:				
General Obligation Refunding Bonds - October 28, 2010	12/1/2029	Variable	\$ 800,000	\$ 177,000

General Obligation Bonds

Bonds Dated October 28, 2010

Interest Rate	Fiscal Year Ended Date	Outstanding June 30, 2023	
		Principal	Interest
4.000	6/30/2024	\$ 23,000	\$ 6,938
4.000	6/30/2025	24,000	5,998
4.000	6/30/2026	24,000	5,038
4.300	6/30/2027	25,000	4,020
4.300	6/30/2028	26,000	2,924
4.300	6/30/2029	27,000	1,785
4.300	6/30/2030	28,000	602
TOTALS		<u>\$ 177,000</u>	<u>\$ 27,305</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 5 – OPERATING EQUIPMENT AGREEMENT

The District entered into an operating agreement for a color copier in the fiscal year ending June 30, 2020. The agreement requires minimum monthly payments of \$348 monthly for 60 months. Remaining minimum obligations are as follows:

Due in Fiscal Year	Amount
2024	\$ 4,176
Total	\$ 4,176

NOTE 6 – DEFERRED COMPENSATION PLAN

The Library maintains for its employees a deferred compensation plan structured and operated in accordance with the provisions of Internal Revenue Code 457. The plan, available to all Library District employees, permits them to defer a portion of their salary until future years. The deferred compensation and accumulated earnings thereon are not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan is fully funded by the Library District as the deferred compensation is earned by employees. Payroll withholdings and payments are made to a third-party trustee on behalf of the employees. The investments are held by the same third-party trustee.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are, until paid or made available to the employee or other beneficiary, solely the property and rights of the Library District and are not restricted to the provision of benefits under the plan. Plan assets are not subject to the claims of the Library District's general creditors. Participant's rights under the plan are equal to those of general creditors of the Library District in an amount equal to the fair market value of the deferred amount for each participant.

NOTE 7 – ILLINOIS MUNICIPAL RETIREMENT

PROFILE OF IMRF –

IMRF is the administrator of an agent multiple-employer public employee retirement system. The Illinois State Legislature established IMRF in 1939. IMRF began operations in 1941 in order to provide retirement, death, and disability benefits to employees of local units of government in Illinois. Members, employers, and annuitants elect eight trustees who govern IMRF. IMRF is separate and apart from the Illinois state government and is not included in the state's financial statements. The Illinois Pension Code requires IMRF to provide its financial statements to participating employers and to any participating member who requests them.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 7 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

PLAN DESCRIPTION –

The Library'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 Library's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

FUNDING POLICY –

As set by statute, the Library's Regular plan members are required to contribute 4.50 percent 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 Library's contribution rate for calendar year 2022 was 3.70 percent of annual covered payroll. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 7 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

For the calendar year ended December 31 2022, the District recognized pension income of \$28,091. The District also reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in pension Expense in Future Periods</i>		
Difference between expected and actual experiences	\$ 20,275	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	253,302	-
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 273,577</u>	<u>\$ -</u>
Pensions contributions made subsequent to the measurement date	16,501	-
Total Deferred Amounts Related to Pensions	<u>\$ 290,078</u>	<u>\$ -</u>

Pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. 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:

Year Ending June 30,	Net Deferred Outflows of
2024	\$ (11,731)
2025	38,810
2026	86,925
2027	159,573
2028	-
Thereafter	-
Total	<u>\$ 273,577</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 7 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Calendar Year Ended December 31, 2022

A. Total pension liability

1. Service Cost	\$ 40,056
2. Interest on the Total Pension Liability	218,703
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	33,179
5. Changes in assumptions	-
6. Benefit payments, including refunds of employee contributions	(216,897)
7. Net change in total pension liability	\$ 75,041
8. Total pension liability - beginning	3,105,020
9. Total pension liability - ending	<u>\$3,180,061</u>

B. Plan fiduciary net position

1. Contributions - employer	\$ 17,337
2. Contributions - employee	21,085
3. Net investment income	(524,645)
4. Benefit payments, including refunds of employee contributions	(216,897)
5. Other (Net Transfer)	13,155
6. Net change in plan fiduciary net position	\$ (689,965)
7. Plan fiduciary net position - beginning	3,851,106
8. Plan fiduciary net position - ending	<u>\$3,161,141</u>

C. Net pension liability/(asset)

\$ 18,920

D. Plan fiduciary net position as a percentage

of the total pension liability 99.41%

E. Covered Valuation payroll

\$ 468,549

F. Net pension liability as a percentage

of covered valuation payroll 4.04%

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% increase 8.25%
Total Pension Liability	\$ 3,512,659	\$ 3,180,061	\$ 2,914,137
Plan Fiduciary Net Position	3,161,141	3,161,141	3,161,141
Net Pension Liability/(Asset)	<u>\$ 351,518</u>	<u>\$ 18,920</u>	<u>\$ (247,004)</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 7 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

Valuation Date:

December 31, 2022

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior contributions are reported.

Notes

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

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities:

a period up to 10 years selected by the employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).

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, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2020 (based on 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2020 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 7 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

CALCULATION OF THE SINGLE DISCOUNT RATE

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR 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) 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 2.00%; and the resulting single discount rate is 7.25%.

Expected Contributions are developed based on the following:

- Member Contributions for current members
- Normal Cost contributions for current members
- Unfunded Liability contributions for current and future members

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 7 – ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
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: There were no benefit changes during the year.

Notes

Due to the modified cash basis nature of these financial statements, the net pension liability and deferred inflows/outflows related to the IMRF plan are not reported in the government-wide financial statements.

NOTE 8 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2023

NOTE 9 – CONTINGENCIES

The Library is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the Statement of Net Position date but before the financial statements are issued, or are available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no other recognized or non-recognized subsequent events that have occurred between June 30, 2023 and the date of this audit report requiring disclosure in the financial statements.

OTHER INFORMATION

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Schedule of Expenditures - Appropriations and Actual

For the Year Ended June 30, 2023

	Appropriations		Actual
	Original	Final	Amounts
Salaries			
Salaries	\$ 724,098	\$ 724,098	\$ 570,568
Payroll taxes	55,393	55,393	45,090
Board expense	1,000	1,000	-
Staff expense	5,947	5,947	2,139
Hospitalization & life insurance	101,171	101,171	57,823
IMRF	35,000	35,000	11,734
Professional growth	4,860	4,860	1,034
Total Salaries	927,469	927,469	688,388
Materials			
Books	157,944	157,944	43,504
Magazines & newspapers	16,486	16,486	5,767
On-line reference	30,346	30,346	5,688
Audio - visual	29,145	29,145	19,703
Total Materials	233,921	233,921	74,662
Debt Service			
Bond payment	35,000	35,000	22,000
Interest	-	-	8,050
Total Debt Service	35,000	35,000	30,050
Capital Property and Equipment			
Information technology	111,179	111,179	65,332
Furniture, fixtures & equipment	28,605	28,605	6,853
Buildings and sites	-	-	100,100
Total Capital Property and Equipment	139,784	139,784	172,285
Contractual Services			
Legal expense	9,029	9,029	2,733
Professional fees	13,813	13,813	3,800
Equipment lease and maintenance	37,170	37,170	14,359
Total Contractual Services	60,012	60,012	20,892
Operating Expenses			
Dues	4,412	4,412	1,166
Fuel, Water & Electric	39,446	39,446	30,282
Audit	8,000	8,000	6,700
Supplies	17,007	17,007	5,036
Telephone and internet	11,267	11,267	4,173

continued

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Schedule of Expenditures - Appropriations and Actual

For the Year Ended June 30, 2023

	Appropriations		Actual Amounts
	Original	Final	
Operating Expenses (Concluded)			
Bulk postage, printing, marketing	\$ 19,244	\$ 19,244	\$ 3,631
SWAN membership	27,980	27,980	23,208
Miscellaneous	2,000	2,000	904
Total Operating Expenses	129,356	129,356	75,100
Auxiliary Programs			
Programs - children, young adult and adult	26,935	26,935	12,809
Total Auxiliary Programs	26,935	26,935	12,809
Total Expenditures General Fund	\$ 1,552,477	\$ 1,552,477	\$ 1,074,186 concluded

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Schedule of Revenues - Estimated and Actual

For the Year Ended June 30, 2023

General Fund Revenues	Estimated	Actual
	Amounts	Amounts
Property taxes	\$ 1,133,776	\$ 593,203
Property taxes - prior year	-	514,733
Replacement taxes	18,000	55,814
Per Capita grant	40,000	45,334
Fines and fees	5,000	27,903
Gifts and donations	100,000	3,109
Interest	3,000	38,068
Miscellaneous	-	4,963
Total General Fund Revenues	\$ 1,299,776	\$ 1,283,127

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Liability Insurance Fund - Schedule of Revenue, Expenditures and Changes in Fund Balance

- Appropriation and Actual

For the Year Ended June 30, 2023

	Appropriations		Actual Amounts
	Original	Final	
Revenue			
Property taxes	\$ 40,000	\$ 40,000	\$ 13,433
Property taxes - Prior Years	-	-	12,326
Total Revenue	40,000	40,000	25,759
Expenditures			
Contractual Services			
Liability insurance	40,000	40,000	22,601
Worker's compensation insurance	2,000	1,000	1,855
Total Expenditures	42,000	41,000	24,456
Net Change in Fund Balance	\$ (2,000)	\$ (1,000)	1,303
Fund Balance			
Balance, Beginning of Year			572
Fund Balance, End of Year			\$ 1,875

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Building Maintenance Fund - Schedule of Revenue, Expenditures and Changes in Fund Balance

- Appropriation and Actual

For the Year Ended June 30, 2023

	Appropriations		Actual
	Original	Final	Amounts
Revenue			
Property taxes	\$ 140,000	\$ 140,000	\$ 33,705
Property taxes - Prior Years	-	-	39,723
Total Revenue	140,000	140,000	73,428
Personnel			
Salaries	-	-	24,960
Total Personnel	-	-	24,960
Contractual Services			
Cleaning service	-	-	12,625
Waste management	-	-	2,255
Maintenance and repairs	340,000	340,000	306,241
Elevator	-	-	2,303
Service contracts	-	-	19,505
Total Contractual Services	340,000	340,000	342,929
Materials and Supplies			
Supplies	-	-	5,706
Total Material and Supplies	-	-	5,706
Total Expenditures	340,000	340,000	373,595
Net Change in Fund Balance	\$ (200,000)	\$ (200,000)	(300,167)
Fund Balance			
Balance, Beginning of Year			(72,449)
Fund Balance, End of Year			\$ (372,616)

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years

(schedule to be built prospectively from 2014)

Calendar Year Ending	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	\$ 40,056	\$ 39,748	\$ 46,396	\$ 45,816	\$ 43,704	\$ 37,927	\$ 41,320	\$ 45,113	\$ 45,510	\$ -
Interest on the Total Pension Liability	218,703	214,914	229,112	220,969	219,418	218,832	216,262	215,370	204,264	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	33,179	25,509	(188,753)	51,822	(26,137)	29,024	(39,542)	(73,747)	(74,938)	-
Assumption Changes	-	-	(54,319)	-	78,458	(97,780)	(3,199)	(3,272)	137,945	-
Benefit Payments and Refunds	(216,897)	(239,221)	(210,654)	(202,508)	(185,954)	(180,191)	(185,261)	(161,747)	(151,901)	-
Net Change in Total Pension Liability	<u>75,041</u>	<u>40,950</u>	<u>(178,218)</u>	<u>116,099</u>	<u>129,489</u>	<u>7,812</u>	<u>29,580</u>	<u>21,717</u>	<u>160,880</u>	<u>-</u>
Total Pension Liability - Beginning	<u>3,105,020</u>	<u>3,064,070</u>	<u>3,242,288</u>	<u>3,126,189</u>	<u>2,996,700</u>	<u>2,988,888</u>	<u>2,959,308</u>	<u>2,937,591</u>	<u>2,776,711</u>	<u>-</u>
Total Pension Liability - Ending (a)	<u><u>\$ 3,180,061</u></u>	<u><u>\$ 3,105,020</u></u>	<u><u>\$ 3,064,070</u></u>	<u><u>\$ 3,242,288</u></u>	<u><u>\$ 3,126,189</u></u>	<u><u>\$ 2,996,700</u></u>	<u><u>\$ 2,988,888</u></u>	<u><u>\$ 2,959,308</u></u>	<u><u>\$ 2,937,591</u></u>	<u><u>\$ -</u></u>
Plan Fiduciary Net Position										
Employer Contributions	\$ 17,337	\$ 37,061	\$ 39,048	\$ 33,400	\$ 52,623	\$ 51,037	\$ 54,067	\$ 55,364	\$ 60,939	-
Employee Contributions	21,085	19,949	19,855	30,283	21,926	20,451	18,279	17,682	18,137	-
Pension Plan Net Investment Income	(524,645)	605,356	468,794	542,881	(190,878)	495,858	176,177	13,009	155,067	-
Benefit Payments and Refunds	(216,897)	(239,221)	(210,654)	(202,508)	(185,954)	(180,191)	(185,261)	(161,747)	(151,901)	-
Other	13,155	(5,627)	(94,837)	28,738	61,447	(42,444)	(16,718)	57,736	(14,609)	-
Net Change in Plan Fiduciary Net Position	<u>(689,965)</u>	<u>417,518</u>	<u>222,206</u>	<u>432,794</u>	<u>(240,836)</u>	<u>344,711</u>	<u>46,544</u>	<u>(17,956)</u>	<u>67,633</u>	<u>-</u>
Plan Fiduciary Net Position - Beginning	<u>3,851,106</u>	<u>3,433,588</u>	<u>3,211,382</u>	<u>2,778,588</u>	<u>3,019,424</u>	<u>2,674,713</u>	<u>2,628,169</u>	<u>2,646,125</u>	<u>2,578,492</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 3,161,141</u></u>	<u><u>\$ 3,851,106</u></u>	<u><u>\$ 3,433,588</u></u>	<u><u>\$ 3,211,382</u></u>	<u><u>\$ 2,778,588</u></u>	<u><u>\$ 3,019,424</u></u>	<u><u>\$ 2,674,713</u></u>	<u><u>\$ 2,628,169</u></u>	<u><u>\$ 2,646,125</u></u>	<u><u>\$ -</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>18,920</u>	<u>(746,086)</u>	<u>(369,518)</u>	<u>30,906</u>	<u>347,601</u>	<u>(22,724)</u>	<u>314,175</u>	<u>331,139</u>	<u>291,466</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.41%	124.03%	112.06%	99.05%	88.88%	100.76%	89.49%	88.81%	90.08%	0.00%
Covered Valuation Payroll	\$ 468,549	\$ 443,308	\$ 441,214	\$ 461,956	\$ 487,251	\$ 454,471	\$ 406,209	\$ 392,931	\$ 405,722	\$ -
Net Pension Liability as a Percentage of Covered Valuation Payroll	4.04%	(168.300%)	(83.75%)	6.69%	71.34%	(5.00%)	77.34%	84.27%	71.84%	0.00%

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS
Multi-year Schedule of Pension Contributions
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 61,345	\$ 60,939	\$ 406	\$ 405,722	15.02%
2015	55,364	55,364	-	392,931	14.09%
2016	54,066	54,067	(1)	406,209	13.31%
2017	51,037	51,037	-	454,471	11.23%
2018	52,623	52,623	-	487,251	10.80%
2019	33,399	33,400	(1)	461,956	7.23%
2020	39,047	39,048	(1)	441,214	8.85%
2021	37,061	37,061	-	443,308	8.36%
2022	17,336 *	17,337	(1)	468,549	3.70%

* Estimated based on a contribution rate of 3.70% and covered valuation payroll of \$468,549.

NOTES TO OTHER
INFORMATION

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to Other Information

For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Library District prepares its budget on the modified cash basis of accounting.

Under the modified cash basis of accounting, revenues are recorded when received in cash and expenditures are recorded when the cash is disbursed. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Library District procedures in establishing the budgetary data reflected in the General Fund Financial Statements is presented below:

- Prior to September 15th the Library District Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding July 1st. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The budget is legally enacted through passage of an ordinance prior to September 30th.
- The Library District Treasurer, in conjunction with the Board, is authorized to expend the unexpended balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original budget was not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to Other Information

For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.
- The budget for the Library District was adopted on September 14, 2022.

The budget represents departmental appropriations as authorized by the Library District's appropriation ordinance and includes revisions authorized by the Library District Board to reflect changes in departmental programs. At June 30, 2023, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2022-2023 appropriations ordinance was adopted September 14, 2022.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Building Maintenance Fund had expenditures that exceeded the appropriations by \$43,595.