

PEOTONE PUBLIC LIBRARY DISTRICT

WILL COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

PEOTONE PUBLIC LIBRARY DISTRICT

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Trustees
Peotone Public Library District
Will County, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Peotone 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 Peotone Public Library District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Responsibility 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 Peotone Public Library District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and related notes be presented to supplement the basic financial statements. Such information, 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peotone Public Library District's basic financial statements. The assessed valuations, tax rates, tax extensions and tax collections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Peotone Public Library District for the year ended June 30, 2024, which are presented for comparison purposes with the accompanying financial statements. In our report dated September 19, 2024, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information.

Mack & Associates, P.C.

Mack & Associates, P. C.
Certified Public Accountants

Morris, Illinois
September 16, 2025

BASIC FINANCIAL STATEMENTS

PEOTONE PUBLIC LIBRARY DISTRICT

Government-Wide Financial Statement
Statement of Net Position
June 30, 2025

STATEMENT A

	Governmental Activities	
	2025	# 2024
<u>Assets</u>		
Current:		
Cash	\$ 1,232,004	1,262,183
Receivables:		
Property taxes	317,545	303,558
Replacement taxes	2,050	3,003
Total Receivable	319,595	306,561
Noncurrent:		
Capital Assets:		
Buildings and Improvements	759,926	759,926
Land	100,000	100,000
Furniture and Equipment	279,257	274,426
Accumulated Depreciation	(747,567)	(716,868)
Total Noncurrent assets	391,616	417,484
Total Assets	1,943,215	1,986,228
<u>Liabilities</u>		
Accounts payable	4,493	1,005
Credit card payable	2,093	-
Total Liabilities	6,586	1,005
<u>Deferred Inflows of Resources</u>		
Property Taxes Levied For Subsequent Years	278,737	291,430
<u>Net Position</u>		
Net investment in capital assets	391,616	417,484
Unrestricted	1,266,276	1,276,249
Total Net Position	\$ 1,657,892	1,693,733

The Notes to Basic Financial Statements are an integral part of this statement.

Governmental-Wide Financial Statement
Statement of Activities
For the Year ended June 30, 2025

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue And Changes in Net Position	
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Total	
					2025	2024
Governmental Activities:						
Culture and Recreation	\$ 805,373	6,501	27,256	-	(771,616)	(637,247)
Total Governmental Activities	<u>\$ 805,373</u>	<u>6,501</u>	<u>27,256</u>	<u>-</u>	<u>(771,616)</u>	<u>(637,247)</u>
General Revenues						
Taxes:						
Property Taxes					\$ 689,478	623,046
Replacement Taxes					11,890	17,730
Interest on Investments					22,396	23,880
Miscellaneous					<u>12,011</u>	<u>7,323</u>
Total General Revenues					<u>735,775</u>	<u>671,979</u>
Change in Net Position					<u>(35,841)</u>	<u>34,732</u>
Net Position at Beginning of Year					<u>1,693,733</u>	<u>1,659,001</u>
Net Position at End of Year					<u>\$ 1,657,892</u>	<u>1,693,733</u>

The Notes to Basic Financial Statements are an integral part of this statement.

PEOTONE PUBLIC LIBRARY DISTRICT

STATEMENT C

**Balance Sheet
Governmental Funds
June 30, 2025**

		Total Governmental Funds	
		2025	2024
	<u>Assets</u>		
Cash		\$ 1,232,004	1,262,183
Receivables			
Property taxes		317,545	303,558
Replacement taxes		2,050	3,003
Total Receivables		319,595	306,561
Total Assets		<u>\$ 1,551,599</u>	<u>1,568,744</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>			
Liabilities:			
Accounts payable		\$ 4,493	1,065
Credit cards payable		2,093	-
Total Liabilities		6,586	1,065
Deferred Inflows of Resources:			
Property Taxes Levied For Subsequent Years		278,737	291,430
Fund Balances:			
Unassigned		1,266,276	1,276,249
Total Liabilities, Deferred Inflows of Resources and Fund Balance		<u>\$ 1,551,599</u>	<u>1,568,744</u>
Reconciliation to Statement of Net Position			
Fund Balance, Governmental Funds		\$ 1,266,276	1,276,249
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in the governmental activities of \$1,139,183 (net of accumulated depreciation of \$747,567), are not financial resources, therefore, are not reported in the funds.			
		391,616	417,484
Net Position of Governmental Activities		<u>\$ 1,657,892</u>	<u>1,693,733</u>

The Notes to Basic Financial Statements are an integral part of this statement.

PEOTONE PUBLIC LIBRARY DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year ended June 30, 2025

	Total Governmental Funds	
	2025	2024
Revenues:		
Property Taxes	\$ 689,478	623,046
Replacement Taxes	11,890	17,730
Fines & Fees	3,701	3,081
Grants	27,256	38,332
Interest Income	22,396	23,880
Other Revenues	3,492	3,090
Donations	7,760	3,390
Developer Fees	2,800	3,350
Miscellaneous Income	759	843
Total Revenues	769,532	716,742
Expenditures:		
Current:		
General and Administrative	691,686	575,235
Building and Equipment	64,910	58,609
Capital Outlay	22,909	13,513
Total Expenditures	779,505	647,357
Excess - (Deficiencies) of Revenues Over (Under) Expenditures	(9,973)	69,385
Fund Balance, Beginning of Year	1,276,249	1,206,864
Fund Balance, End of Year	\$ 1,266,276	1,276,249

The Notes to Basic Financial Statements are an integral part of this Statement.

PEOTONE PUBLIC LIBRARY DISTRICT

**Statements of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year ended June 30, 2025**

**STATEMENT D
(Continued)**

	June 30,	
	2025	2024
Reconciliation to the Statement of Activities		
Net Change in Fund Balances - Total Governmental Funds	\$ (9,973)	69,385
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Capital Debt Obligation Principal Payments	-	-
Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchase and decreased by depreciation expense.		
Capital Assets Purchases	4,831	1,740
Depreciation	(30,699)	(36,393)
Change in Net Position of Governmental Activities (Statement B)	<u>\$ (35,841)</u>	<u>34,732</u>

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

PEOTONE PUBLIC LIBRARY DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented in accordance with generally accepted accounting principles (GAAP) in the United States of America. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the Library District's financial statements Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Financial Reporting Entity

The District follows the provision of Government Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, are entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary governments, or its component units, are entitled to, or have the ability to otherwise access, are significant to the primary government.

The District, for financial purposes, includes all funds relevant to the operations of the District. The accompanying financial statements present the District's primary government over which the District exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District. The District did not omit from the financial statements any agency that met the inclusion criteria. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

PEOTONE PUBLIC LIBRARY DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. The District does not report any business-type activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Library District or meets the following criteria:

Fund Financial Statements

- a. At least 10 percent of the corresponding total for all funds of total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Library District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

C. Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

PEOTONE PUBLIC LIBRARY DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus - (Continued)

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified accrual basis of accounting, is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

D. Basis of Accounting

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if it is collected within 60 days after year-end.

While GASB 87 was in effect as of June 30, 2025, the financial statements have not been adjusted for this, as they are reported on the cash basis. The lease expenditures are reported in the applicable funds when incurred. While GASB 96 was in effect as of April 30, 2025, there were no agreements that met the requirements of this pronouncement.

Property taxes are recorded as revenue when levied. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

E. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Cash Equivalents

All short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and include cash in checking and money market accounts and any certificates of deposit with an original maturity date of twelve months or less.

PEOTONE PUBLIC LIBRARY DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity - (Continued)

Capital Assets

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable.

Depreciation of all exhaustible capital assets arising from cash transactions 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. A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	30 years
Furniture, and equipment	5 years

Impairment of Long-lived Assets

The District reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and the fund Balance Sheets sometimes report separate sections for deferred outflows / inflows of resources. These separate financial statement elements represent a consumption / acquisition of net position that applies to a future year(s) and so will not be recognized as an outflow (expense / expenditure) or inflow (revenue) of resources until then.

Deferred inflows of resources consist of property tax receivable not collected within sixty days after year-end. Deferred inflows of resources in the Statement of Net Position consist of the succeeding year property tax receivables that will not be recognized as revenue until the year for which they are levied.

Long-term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. During the fiscal year ending June 30, 2025 the district did not have any long-term debt.

PEOTONE PUBLIC LIBRARY DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity - (Continued)

Equity Classification

In the Government-wide Statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Capital assets, at cost	\$ 1,139,183
Less: Accumulated depreciation	<u>(747,567)</u>
Total capital assets	<u>391,616</u>
Long term debt	<u>-</u>
Net investment in capital assets	<u>\$ 391,616</u>

- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definitions of "restricted" or "net investment in capital assets."

NOTE 2: PROPERTY TAXES

Property tax receivable is recognized in the fund financial statements on the levy or lien date. The District's property tax is levied on or before the last Tuesday in December each year on all taxable real property located in the District. Property taxes attach as an enforceable lien on property as of January 1. Taxes are typically due and payable in two installments in June and September at the County Collector's office. The District receives significant distributions of tax receipts within one month of these due dates.

The property taxes from the 2023 tax levy in the amount of \$645,985 are used to finance the operating budget of the fiscal year ending June 30, 2025. The District received \$345,196 in fiscal year 2024 and \$301,235 in fiscal year 2025. The 2024 property tax levy in the amount of \$678,456 was passed on November 19, 2024. The District has received \$361,563 during fiscal year 2025. A receivable has been recorded in the amount of \$317,545, and a deferral in the amount of \$278,737 in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance.

PEOTONE PUBLIC LIBRARY DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2025

NOTE 3: DEPOSITS

Illinois statute authorizes the Library District to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by the federal depository insurance. The Library District may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the three highest classifications by at least two standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

Custodial Credit Risk - the risk that in the event of bank failure, the Library District's deposits may not be returned to it. The Library District does not have an investment policy for custodial credit risk.

The Library District's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Library District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. At June 30, 2025, the carrying amount of the Library District's deposits was \$1,232,004 and the bank balance was \$1,239,540. At June 30, 2025, uninsured deposits of \$739,540 were fully collateralized with securities held by the pledging financial institution.

PEOTONE PUBLIC LIBRARY DISTRICT**Notes to Basic Financial Statements
For the Year Ended June 30, 2025****NOTE 4: CHANGES IN GENERAL FIXED ASSETS**

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Assets not being depreciated:				
Land	\$ 100,000	-	-	100,000
Total non-depreciable assets	100,000	-	-	100,000
Depreciable assets:				
Buildings	759,926	-	-	759,926
Furniture & Equipment	274,426	4,831	-	279,257
Total Depreciable assets	1,034,352	4,831	-	1,039,183
Total Capital Assets	1,134,352	4,831	-	1,139,183
Accumulated Depreciation				
Buildings	454,652	26,266	-	480,918
Furniture & Equipment	262,216	4,433	-	266,649
Total accumulated depreciation	716,868	30,699	-	747,567
Total capital assets, net	\$ 417,484	(25,868)	-	391,616

NOTE 5: OPERATING LEASES

On November 1, 2024, the District entered into a lease agreement with Konica Minolta, for 2 copiers at \$314 per month. Lease obligations for the remaining lease term are as follows:

<u>Fiscal Year Ended</u>	<u>Amount Due</u>
2025	\$ 2,196
2026	3,765
2027	3,765
2028	3,765
2029	3,765
2030	1,569

NOTE 6: LEGAL DEBT MARGIN

Assessed evaluation – 2024 year	\$ 723,995,925
Statutory debt limitation (2.875% of assessed valuation)	20,814,883
Total debt	-
Legal debt margin	<u>\$ 18,726,593</u>

NOTE 7: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Following are definitions of the differences and a reconciliation of how these balances are reported.

A. Non-spendable Fund Balance

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Library District Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Library District Board itself or (b) the finance committee or by the Treasurer/Administrator when the Library District Board has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

PEOTONE PUBLIC LIBRARY DISTRICT

**Notes to Basic Financial Statements
For the Year Ended June 30, 2025**

NOTE 8: SUBSEQUENT EVENTS

Management evaluated subsequent events through September 16, 2025, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as a result of events occurring between July 1, 2025 and September 16, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

PEOTONE PUBLIC LIBRARY DISTRICT

SCHEDULE A

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year ended June 30, 2025

(With Comparative Figures for Year Ended June 30, 2024)

	General Corporate Fund		
	Original and Final Budget	2025	2024
Revenues:			
Property Taxes	\$ 638,754	689,478	623,046
Replacement Taxes	-	11,890	17,730
Fines and Book Replacement	-	3,701	3,081
Grants	45,000	27,256	38,332
Interest Income	-	22,396	23,880
Other Revenues	-	3,492	3,090
Donations	-	7,760	3,390
Developer Fees	-	2,800	3,350
Miscellaneous Income	-	759	843
Total Revenues	683,754	769,532	716,742
Expenditures:			
Salaries and Taxes	475,000	429,059	375,731
Supplies - Cleaning	25,000	19,681	15,626
Supplies - Library	10,000	6,460	5,421
Computer Expenses	50,000	46,844	39,632
Computer Equipment	40,000	10	7,634
Bank Services	1,000	99	-
Audio/Visual	8,000	2,284	1,651
Books	43,000	24,720	30,024
E-books	20,000	16,153	7,538
Periodicals	10,000	9,554	5,990
Programming/Public Relations	27,000	12,995	10,457
Online Services	40,000	36,785	25,291
Summer Reading Programs	6,000	4,509	2,440
Seminars/Workshops/Mileage	7,000	4,109	3,049
Dues and Membership	6,000	1,670	1,607
Admin Facilities	-	106	-
Utilities:			
Heat & Lights	25,000	11,001	11,461
Telephone	15,000	7,372	6,637
Water	18,000	5,883	3,293
Alarm System	20,000	11,288	10,156
Insurance:			
Building	20,000	13,800	9,706
Personnel/Health	40,000	27,558	22,132
Worker's Comp	8,000	1,082	1,719
Surety Bond	2,000	440	440
Cyber Liability	-	1,795	-
Legal, Audit, and Accounting Expenses	21,000	28,687	11,646
Repairs & Maintenance	185,000	13,956	15,199
Postage and Mailing	3,000	1,222	670
Miscellaneous	4,000	3,517	785
Small Equipment	10,000	1,610	2,157
Capital Expenditures	30,000	13,487	5,879
Furniture	-	9,412	-
Copier Lease	8,000	5,332	4,949
Retirement Plan	15,000	7,025	8,437
Total Expenditures	1,192,000	779,505	647,357
Excess if Revenues Over (Under) Expenditures	\$ (508,246)	(9,973)	69,385
Fund Balance, Beginning of Year		1,276,249	1,206,864
Fund Balance, End of Year		\$ 1,266,276	1,276,249

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PEOTONE PUBLIC LIBRARY DISTRICT

Notes to Required Supplementary Information For the Year Ended June 30, 2025

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Library District prepares its budget for all governmental fund types in conformity with practices prescribed or permitted by the applicable statutes of the State of Illinois. The Library District in its budgeting process includes as a resource (amount available for current expenditures) a portion of the fund balance that has been accumulated in prior years. The Library District's fiscal year begins July 1 and ends on June 30. The Library District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Department heads propose expenditure estimates for the coming year. These estimates, if approved by the Library Director, become their recommendations for presentation to the Board of Trustees as the tentative combined Annual Budget and Appropriation Ordinance.
2. Notice is published in the paper that the tentative Annual Budget and Appropriation Ordinance is available for public inspection. The Ordinance is then presented at a public meeting after thirty days have passed. A public hearing is conducted to obtain taxpayer comments.
3. Immediately after the public meetings, the Board of Trustees ordinance is legally adopted and it is published to meet statutory requirements.
4. The Library Director is authorized to transfer budgeted amounts between departments, within any fund, with the approval of the Board of Trustees.
5. The budget was approved on September 17, 2024 and was not amended.

The budget is prepared on a cash basis but the differences with generally accepted accounting principles are immaterial. For each fund, total fund expenditures may not legally exceed the budgeted amounts. All encumbrances and budgeted balances lapse at the end of each fiscal year. Outstanding encumbrances are then included in the budget for the following year.

<u>Description</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
General Fund				
Expenditures	\$ 1,192,000	779,505	412,495	34.61%

SUPPLEMENTAL INFORMATION

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

	Tax Year				
	2020	2021	2022	2023	2024
Assessed Valuations	<u>\$ 531,220,776</u>	<u>555,296,890</u>	<u>600,804,868</u>	<u>651,359,758</u>	<u>723,995,925</u>
Extended Tax Rates:	0.1071	0.1049	0.1019	0.0992	0.0938
Total Extensions	<u>568,937</u>	<u>584,172</u>	<u>615,224</u>	<u>646,149</u>	<u>679,108</u>
Tax Collections	<u>\$ 565,827</u>	<u>582,607</u>	<u>606,353</u>	<u>646,431</u>	<u>361,563</u>