

TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

101 E Main Street
Rockton, IL 61072
Phone: 815.624.7511
Fax: 815.624.1176
www.talcottfreelibrary.com

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Principal Officials [1](#)

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT [4](#)

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

- Statement of Net Position - Modified Cash Basis [8](#)
- Statement of Activities - Modified Cash Basis [9](#)

Fund Financial Statements

- Balance Sheet - Governmental Funds - Modified Cash Basis [10](#)
- Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities - Modified Cash Basis [11](#)
- Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds - Modified Cash Basis [12](#)
- Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities - Governmental Activities - Modified Cash Basis [13](#)

Notes to Financial Statements [14](#)

OTHER SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions

- Illinois Municipal Retirement Fund [34](#)

Schedule of Changes in the Employer's Net Pension Liability

- Illinois Municipal Retirement Fund [35](#)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Modified Cash Basis - General Fund [37](#)

Schedule of Revenues - Budget and Actual - Modified Cash Basis - General Fund [38](#)

Schedule of Expenditures - Budget and Actual - Modified Cash Basis - General Fund [39](#)

SUPPLEMENTAL SCHEDULE

Schedule of Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections - Last Three Tax Levy Years [42](#)

INTRODUCTORY SECTION

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Principal Officials
June 30, 2024**

BOARD OF TRUSTEES

Gary Kovanda, President

Terri Garlow, Treasurer

Dan Garlow, Trustee

Loren Floto, Secretary

Bob Geddeis, Trustee

Alicia Ragaller, Vice President

Aimee Floto, Trustee

ADMINISTRATION

Megan Gove, Director

FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Other Supplementary Information

Supplemental Schedule

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

December 17, 2024

Members of the Board of Trustees
Talcott Free Library District
Rockton, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Talcott Free Library District (the District), Illinois, as of and for the year ended June 30, 2024, 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 modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Talcott Free Library District, Illinois, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting as 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Talcott Free Library District, Illinois' basic financial statements. The other supplementary information and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the introductory section 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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Statement of Net Position - Modified Cash Basis
June 30, 2024**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 715,764
Restricted Cash and Investments	<u>248,226</u>
Total Current Assets	<u>963,990</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	150
Depreciable	3,290,362
Accumulated Depreciation	<u>(829,434)</u>
Total Noncurrent Assets	<u>2,461,078</u>
Total Assets	<u>3,425,068</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	4,580
Debt Certificates Payable	<u>128,000</u>
Total Current Liabilities	132,580
Noncurrent Liabilities	
Debt Certificates Payable	<u>790,000</u>
Total Liabilities	<u>922,580</u>
NET POSITION	
Net Investment in Capital Assets	1,543,078
Restricted	
Building Expansion	48,010
IMRF	3,325
Working Cash	65,269
Seiberling	246
Unrestricted	<u>842,560</u>
Total Net Position	<u><u>2,502,488</u></u>

The notes to the financial statements are an integral part of this statement.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2024**

	Expenses	Program Revenues			Net (Expenses)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
Public Library	\$ 655,569	9,721	20,090	—	(625,758)
Interest and Fiscal Charges	10,796	—	—	—	(10,796)
Total Governmental Activities	666,365	9,721	20,090	—	(636,554)

General Revenues	
Taxes	
Property Taxes	678,007
Intergovernmental - Unrestricted	
Replacement Taxes	48,849
Interest Income	38,305
Miscellaneous	20,402
	<u>785,563</u>
Change in Net Position	149,009
Net Position - Beginning	<u>2,353,479</u>
Net Position - Ending	<u><u>2,502,488</u></u>

The notes to the financial statements are an integral part of this statement.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Balance Sheet - Modified Cash Basis
June 30, 2024**

	General	Permanent Funds		Totals
		Working Cash	Seiberling	
ASSETS				
Cash and Investments	\$ 715,764	—	—	715,764
Restricted Cash and Investments	—	226,021	22,205	248,226
Due to Other Funds	23,072	—	—	23,072
Total Assets	738,836	226,021	22,205	987,062
LIABILITIES				
Accounts Payable	4,580	—	—	4,580
Due to Other Funds	—	23,072	—	23,072
Total Liabilities	4,580	23,072	—	27,652
FUND BALANCES				
Nonspendable	—	137,680	21,959	159,639
Restricted	51,335	65,269	246	116,850
Unassigned	682,921	—	—	682,921
Total Fund Balances	734,256	202,949	22,205	959,410
Total Liabilities and Fund Balances	738,836	226,021	22,205	987,062

The notes to the financial statements are an integral part of this statement.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental
Activities - Modified Cash Basis
June 30, 2024**

Total Fund Balances	\$ 959,410
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	2,461,078
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Debt Certificates Payable	<u>(918,000)</u>
Net Position of Governmental Activities	<u><u>2,502,488</u></u>

The notes to the financial statements are an integral part of this statement.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2024**

	General	Permanent Funds		Totals
		Working Cash	Seiberling	
Revenues				
Taxes	\$ 678,007	—	—	678,007
Intergovernmental	68,939	—	—	68,939
Fines and Fees	9,721	—	—	9,721
Interest Income	26,118	12,187	—	38,305
Miscellaneous	20,402	—	—	20,402
Total Revenues	803,187	12,187	—	815,374
Expenditures				
Public Library	592,290	—	—	592,290
Debt Service				
Principal Retirement	127,000	—	—	127,000
Interest and Fiscal Charges	10,796	—	—	10,796
Total Expenditures	730,086	—	—	730,086
Net Change in Fund Balances	73,101	12,187	—	85,288
Fund Balances - Beginning	661,155	190,762	22,205	874,122
Fund Balances - Ending	734,256	202,949	22,205	959,410

The notes to the financial statements are an integral part of this statement.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the
Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2024**

Net Change in Fund Balances \$ 85,288

Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Depreciation Expense (63,279)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Debt Retirement 127,000

Changes in Net Position 149,009

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Talcott Free Library District (the District), Rockton, Illinois provides services primarily to citizens of Rockton, Illinois, including lending or renting materials to adults and children to meet their informational, recreations, and educational needs. The basic financial statements of the District have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the District's accounting policies are described below.

REPORTING ENTITY

The District is a municipal corporation governed by an elected president and six-member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental.

In the government-wide Statement of Net Position the District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The District's activities are supported by taxes and intergovernmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants 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 meeting the operational or capital requirements of a particular function or segment.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The District accounts for all of its activities in governmental funds, with the emphasis in the fund financial statements being on the major funds.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. The District only reports major funds. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It is used to account for all financial resources, except for those required to be accounted for in another fund. The District reports the General Fund as a major fund.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. The District maintains two permanent funds. The Working Cash Fund, a major fund, is used to account for assets held by the District in a trustee capacity. The assets held by this fund were derived principally from property taxes levied by the District and are used to make operating loans to the general fund. The earnings are available for support of the District's general operations. The Seiberling Fund, also a major fund, is used to account for assets held by the District as an endowment. The assets held by this fund include contributions of \$20,000 that have been permanently restricted by the donor, and the earnings of \$2,190 which may be used for purposes that support the District's reading programs for children.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows 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.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the District records capital assets, depreciation, and long-term debt.

ASSETS, LIABILITIES, AND NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, the District’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Restricted Cash and Investments

Certain proceeds derived from property taxes levied by the District and held by the District in a trustee capacity as well as proceeds held by the District as an endowment.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND NET POSITION - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	50 Years
Furniture, Fixtures, and Equipment	5 Years

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND NET POSITION - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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 improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The appropriation and budget for all governmental fund types is prepared on the modified cash basis of accounting which is the same basis that is used in the fund financial statements. This allows for comparability between budget and actual amount. The budget, which was not amended, was passed on September 19, 2022. The budget lapses at the end of each fiscal year.

Formal budgetary accounting is employed as a management control of the District. The General Fund operating budget is adopted each fiscal year on a basis consistent with the modified cash basis of accounting through passage of an annual budget and appropriation ordinance. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level. Appropriations in the General Fund lapse at the end of the fiscal year. The budget for the General Fund was not amended. No budgets are adopted for the Working Cash Fund or the Seiberling Fund.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments."

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services.

Deposits. At year-end, the carrying amount of the District's deposits totaled \$963,990 and the bank balances totaled \$979,610.

Investments. At year-end, the District had no investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not address interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy does not address credit risk.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that amounts held at a financial institution in excess of the Federal Deposit Insurance Corporation (FDIC) limit be properly collateralized by a pledging of allowable assets or a letter of credit. Deposits held in local and area banks are insured by the FDIC in the amount of \$250,000 for all time and savings accounts and \$250,000 for all demand deposit accounts. At June 30, 2024, the District's bank balances were not exposed to custodial credit risk as they were fully covered by a combination of FDIC insurance and a letter of credit.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not mitigate custodial credit risk for investments. At year-end, the District had no investments.

Concentration Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address concentration risk. At year-end, the District does not have any investments.

PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCE

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Working Cash	General	\$ <u>23,072</u>

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 150	—	—	150
Depreciable Capital Assets				
Buildings and Improvements	2,964,219	—	—	2,964,219
Furniture, Fixtures and Equipment	326,143	—	—	326,143
	<u>3,290,362</u>	—	—	<u>3,290,362</u>
Less Accumulated Depreciation				
Buildings and Improvements	457,990	59,284	—	517,274
Furniture, Fixtures and Equipment	308,165	3,995	—	312,160
	<u>766,155</u>	<u>63,279</u>	—	<u>829,434</u>
Total Net Depreciable Capital Assets	<u>2,524,207</u>	<u>(63,279)</u>	—	<u>2,460,928</u>
Total Net Capital Assets	<u>2,524,357</u>	<u>(63,279)</u>	—	<u>2,461,078</u>

Depreciation expense of \$63,279 was charged to the public library function.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Debt Certificates

The District issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates currently outstanding are as follows:

Issue	Beginning Balance	Issuances	Retirements	Ending Balance
Debt Certificate of 2020 - Due in annual installments of \$125,000 to \$136,000 plus interest at 0.50% to 1.50% through December 15, 2030.	\$ 1,045,000	—	127,000	918,000

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Debt Certificate	\$ 1,045,000	—	127,000	918,000	128,000

The debt certificate are generally liquidated by the General Fund.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Debt Certificates	
	Principal	Interest
2025	\$ 128,000	9,687
2026	128,000	8,680
2027	129,000	7,517
2028	131,000	6,118
2029	132,000	4,540
2030	134,000	2,878
2031	136,000	1,020
	<u>918,000</u>	<u>40,440</u>

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2023	<u>\$ 263,784,885</u>
Legal Debt Limit - 2.875% of Assessed Value	13,189,244
Amount of Debt Applicable to Limit	<u>—</u>
Legal Debt Margin	<u>13,189,244</u>

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of year-end:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 2,461,078
Less Capital Related Debt:	
Debt Certificate of 2020	<u>(918,000)</u>
Net Investment in Capital Assets	<u>1,543,078</u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the District's Board; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the District's Boards' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the District's Board itself or b) a body or official to which the District's Board has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the District's Board, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Permanent Funds		Totals
		Working Cash	Seiberling	
Fund Balances				
Nonspendable				
Working Cash	\$ —	137,680	—	137,680
Seiberling	—	—	21,959	21,959
	—	137,680	21,959	159,639
Restricted				
Building Expansion	48,010	—	—	48,010
Audit	3,325	—	—	3,325
Working Cash	—	65,269	—	65,269
Seiberling	—	—	246	246
	51,335	65,269	246	116,850
Unassigned	730,931	—	—	730,931
Total Fund Balances	782,266	202,949	22,205	1,007,420

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the District's employees. The District has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District financial position or results of operations.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Plan Membership. As of December 31, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>9</u>
Total	<u><u>29</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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. For the year-ended June 30, 2024, the District's contribution was 4.40% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the District calculated using the discount rate as well as what the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	211,225	86,192	(17,344)

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 1,194,993	1,107,129	87,864
Changes for the Year:			
Service Cost	23,305	—	23,305
Interest on the Total Pension Liability	83,932	—	83,932
Difference Between Expected and Actual Experience of the Total Pension Liability	93,912	—	93,912
Changes of Assumptions	(8,700)	—	(8,700)
Contributions - Employer	—	10,251	(10,251)
Contributions - Employees	—	12,535	(12,535)
Net Investment Income	—	123,857	(123,857)
Benefit Payments, Including Refunds of Employee Contributions	(97,926)	(97,926)	—
Other (Net Transfer)	—	47,478	(47,478)
Net Changes	94,523	96,195	(1,672)
Balances at December 31, 2023	1,289,516	1,203,324	86,192

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

For the year ended June 30, 2024, the District recognized pension expense of \$12,386 on a modified cash basis. At June 30, 2024, the District would have reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources under the GAAP basis of accounting:

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 75,670	—	75,670
Change in Assumptions	—	(5,696)	(5,696)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	66,699	—	66,699
Total Expense to be Recognized in Future Periods	142,369	(5,696)	136,673
Pension Contributions Made Subsequent to the Measurement Date	6,017	—	6,017
Total Deferred Amounts Related to IMRF	148,386	(5,696)	142,690

\$6,017 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and would be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2025, under the GAAP basis of accounting. Amounts that would be reported under the GAAP basis of accounting as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 47,997
2026	48,806
2027	48,787
2028	(8,917)
2029	—
Thereafter	—
Total	136,673

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. The District does not have a health insurance policy and does not offer health insurance through the District to current or retired employees, and thus there is no benefit to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the District has not recorded a liability as of June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

Schedule of Employer Contributions
Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund

Budgetary Comparison Schedules - General Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

PERMANENT FUNDS

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs, that is, for the benefit of the District or its citizenry.

Working Cash Fund

The Working Cash Fund is used to account for assets held by the District in a trustee capacity. The assets held by this fund were derived principally from property taxes levied by the District and are used to make operating loans to the general fund. The earnings are available for support of the District's general operations.

Seiberling Fund

The Seiberling Fund is used to account for assets held by the District as an endowment. The assets held by this fund include contributions of \$20,000 that have been permanently restricted by the donor, and the earnings of \$2,190 which may be used for purposes that support the District's reading programs for children.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
June 30, 2024**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 15,034	\$ 17,744	\$ 2,710	\$ 158,759	11.18%
2016	13,754	13,754	—	154,534	8.90%
2017	18,810	18,810	—	154,534	12.17%
2018	20,634	20,634	—	205,924	10.02%
2019	20,874	20,874	—	214,096	9.75%
2020	14,486	14,486	—	196,022	7.39%
2021	18,936	18,936	—	218,664	8.66%
2022	18,132	18,132	—	233,964	7.75%
2023	13,021	13,021	—	265,783	4.90%
2024	12,386	12,386	—	281,554	4.40%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
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.

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

June 30, 2024

	12/31/2014	12/31/2015	12/31/2016
Total Pension Liability			
Service Cost	\$ 24,155	17,861	17,291
Interest	58,773	67,082	72,558
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(677)	28,717	39,856
Change of Assumptions	49,252	1,870	(1,990)
Benefit Payments, Including Refunds of Member Contributions	(10,359)	(24,783)	(54,525)
Net Change in Total Pension Liability	121,144	90,747	73,190
Total Pension Liability - Beginning	776,748	897,892	988,639
Total Pension Liability - Ending	897,892	988,639	1,061,829
Plan Fiduciary Net Position			
Contributions - Employer	\$ 17,744	13,754	18,809
Contributions - Members	8,432	6,954	8,753
Net Investment Income	52,251	4,582	60,357
Benefit Payments, Including Refunds of Member Contributions	(10,359)	(24,783)	(54,525)
Other (Net Transfer)	1,630	(14,250)	18,263
Net Change in Plan Fiduciary Net Position	69,698	(13,743)	51,657
Plan Net Position - Beginning	848,663	918,361	904,618
Plan Net Position - Ending	918,361	904,618	956,275
Employer's Net Pension Liability/(Asset)	\$ (20,469)	84,021	105,554
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.28%	91.50%	90.06%
Covered Payroll	\$ 158,759	154,534	194,520
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(12.89%)	54.37%	54.26%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
19,741	19,575	20,711	19,325	19,344	19,952	23,305
78,073	75,652	78,141	77,713	78,833	80,742	83,932
—	—	—	—	—	—	—
(33,397)	36,661	(7,870)	27,092	17,513	35,828	93,912
(30,973)	22,566	—	(19,083)	—	—	(8,700)
(61,454)	(69,834)	(101,981)	(90,387)	(88,837)	(90,482)	(97,926)
(28,010)	84,620	(10,999)	14,660	26,853	46,040	94,523
1,061,829	1,033,819	1,118,439	1,107,440	1,122,100	1,148,953	1,194,993
1,033,819	1,118,439	1,107,440	1,122,100	1,148,953	1,194,993	1,289,516
20,633	20,874	14,485	18,936	18,133	14,990	10,251
9,267	9,634	8,821	9,840	10,528	11,856	12,535
173,529	(60,599)	185,699	167,370	216,962	(192,088)	123,857
(61,454)	(69,834)	(101,981)	(90,387)	(88,837)	(90,482)	(97,926)
(60,021)	43,134	4,254	6,684	(696)	1,604	47,478
81,954	(56,791)	111,278	112,443	156,090	(254,120)	96,195
956,275	1,038,229	981,438	1,092,716	1,205,159	1,361,249	1,107,129
1,038,229	981,438	1,092,716	1,205,159	1,361,249	1,107,129	1,203,324
(4,410)	137,001	14,724	(83,059)	(212,296)	87,864	86,192
100.43%	87.75%	98.67%	107.40%	118.48%	92.65%	93.32%
205,924	214,096	196,022	218,664	233,963	263,463	278,555
(2.14%)	63.99%	7.51%	(37.98%)	(90.74%)	33.35%	30.94%

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

General Fund

Schedule of Revenues and Expenditures - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2024

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 298,130	298,130	678,007
Intergovernmental	46,313	46,313	68,939
Fines and Fees	13,500	13,500	9,721
Interest Income	—	—	26,118
Miscellaneous	141,012	141,012	20,402
Total Revenues	<u>498,955</u>	<u>498,955</u>	<u>803,187</u>
Expenditures			
Public Library	691,513	691,513	592,290
Debt Service			
Principal Retirement	137,400	137,400	127,000
Interest and Fiscal Charges	—	—	10,796
Total Expenditures	<u>828,913</u>	<u>828,913</u>	<u>730,086</u>
Net Change in Fund Balance	<u>(329,958)</u>	<u>(329,958)</u>	73,101
Fund Balance - Beginning			<u>661,155</u>
Fund Balance - Ending			<u><u>734,256</u></u>

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2024

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 298,130	298,130	678,007
Intergovernmental			
Replacement Taxes	30,000	30,000	48,849
Grants	16,313	16,313	18,113
Special Purpose Grants	—	—	1,977
	<u>46,313</u>	<u>46,313</u>	<u>68,939</u>
Fines and Fees			
Patron Support	500	500	88
Fines	13,000	13,000	227
Copy/Print	—	—	3,424
Non-Resident	—	—	4,464
Lost or Damaged:A/V Materials	—	—	20
Lost or Damaged:Books	—	—	1,498
	<u>13,500</u>	<u>13,500</u>	<u>9,721</u>
Interest Income	—	—	26,118
Miscellaneous			
E-Rate Reimbursement	—	—	3,540
Rent	16,012	16,012	16,862
Miscellaneous	125,000	125,000	—
	<u>141,012</u>	<u>141,012</u>	<u>20,402</u>
Total Revenues	<u>498,955</u>	<u>498,955</u>	<u>803,187</u>

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2024

	Budget		Actual
	Original	Final	
Expenditures			
Public Library			
Expenditures Paid From Fines - Cleaning Supplies	\$ 1,000	1,000	8
Expenditures Paid From Fines - Miscellaneous	1,000	1,000	305
Audio Visual	8,000	8,000	5,186
Audit	9,000	9,000	8,000
Books	37,000	37,000	109
Books - Adult Books	—	—	16,063
Books - Juvenile Books	—	—	12,683
Books - Young Adult Books	—	—	5,905
Building and Equipment	—	—	6,076
Building and Equipment - Building Maintenance	25,000	25,000	2,884
Building and Equipment - Custodian Salary	8,000	8,000	6,533
Building and Equipment - Grounds Maintenance	14,000	14,000	6,732
Building and Equipment - Leases	18,000	18,000	16,370
Building and Equipment - Repairs	2,500	2,500	2,252
Building and Equipment - Utilities	18,000	18,000	14,994
Continuing Education	2,800	2,800	2,754
Contractual Services	25,750	25,750	21,035
Contractual Services - Programs	—	—	575
Custodial Supplies	1,750	1,750	1,584
Fees	8,000	8,000	3,202
Fees - Memberships	—	—	1,223
Fees - Real Estate Taxes	—	—	2,801
Fringe Benefits	14,600	14,600	13,088
IMRF	14,350	14,350	12,388
Insurance	18,250	18,250	16,574
Memorial and Gifts	750	750	229
Per Capita Grant	16,313	16,313	1,610
Per Capita Grant - Databases	—	—	11,766
Per Capita Grant - E Materials	—	—	3,000
Periodicals	5,350	5,350	—
Periodicals - Magazines	—	—	1,091
Periodicals - Newspapers	—	—	3,234

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued

For the Fiscal Year Ended June 30, 2024

	Budget		Actual
	Original	Final	
Expenditures - Continued			
Public Library - Continued			
Publicity	\$ 1,750	1,750	745
Publicity - Social Media	—	—	15
Publicity - Legal Notices	—	—	768
Salaries - Director	—	—	60,333
Salaries - Library Staff	354,000	354,000	248,157
Social Security/Medicare	26,600	26,600	24,099
Supplies	9,000	9,000	7,158
Supplies - Office Supplies	—	—	25
Supplies - Toner	—	—	1,380
Tech/Software	50,750	50,750	40,956
Tech/Software - Internet/Phone	—	—	8,400
Total Culture and Recreation	691,513	691,513	592,290
Debt Service			
Principal Retirement	137,400	137,400	127,000
Interest and Fiscal Charges	—	—	10,796
Total Debt Service	137,400	137,400	137,796
Total Expenditures	828,913	828,913	730,086

SUPPLEMENTAL SCHEDULE

**TALCOTT FREE LIBRARY DISTRICT
ROCKTON, ILLINOIS**

**Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections - Last Three Tax Levy Years
June 30, 2024**

	2021	2022	2023
Assessed Valuations	\$ 225,339,779	244,363,978	263,784,885
Tax Rates			
Corporate	0.2347	0.2357	0.2209
Buildings, Equipment and Maintenance	0.0200	0.0200	0.0200
IMRF	0.0074	0.0001	0.0027
Audit	0.0024	0.0013	0.0033
Tort Judgements, Liability	0.0062	0.0069	0.0063
Social Security	0.0079	0.0104	0.0114
Total Tax Rates	0.2786	0.2744	0.2646
Tax Extensions			
Corporate	537,087	575,966	591,248
Buildings, Equipment and Maintenance	45,736	48,873	53,531
IMRF	16,922	245	7,227
Audit	5,488	3,177	8,832
Tort Judgements, Liability	14,178	16,861	16,862
Social Security	18,066	25,413	30,513
Total Tax Extensions	637,477	670,535	708,213
Collections	628,924	658,367	—
Percent Collected	98.66%	98.19%	—%

Data Source: Office of the County Clerk

Note: Rates are per \$1,000 of Assessed Value

2023 tax levy to be collected during fiscal year 2025.