

OAK LAWN PUBLIC LIBRARY
OAK LAWN, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2024



**OAK LAWN PUBLIC LIBRARY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2024**

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INTRODUCTORY SECTION

**OAK LAWN PUBLIC LIBRARY
BOARD OF TRUSTEES
DECEMBER 31, 2024**

Kate McDermott	President
Kim Brightmore	Vice President
Joe Skibinski	Financial Secretary
Sean Kelly	Secretary
Patrick O'Donnell	Trustee
Heather McCarthy	Trustee
Carrie O'Keefe	Trustee

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Oak Lawn Public Library
Oak Lawn, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Oak Lawn Public Library, a component unit of the Village of Oak Lawn, Illinois, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Oak Lawn Public Library'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 and each major fund of the Oak Lawn Public Library, as of December 31, 2024, and the respective changes in financial position and the budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oak Lawn Public Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a 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 Oak Lawn Public Library'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 Oak Lawn Public Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension plan information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles general accepted in the United States of America. Accordingly, such information should be read in conjunction with the Oak Lawn

Library's financial statements for the year ended December 31, 2023, from which partial information was derived. Those financial statements were previously audited by us and we expressed an unmodified opinion on those audited financial statements in our report dated June 13, 2024.

MW & Associates, P.C.

Hillside, Illinois

June 11, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

OAK LAWN PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

As management of the Oak Lawn Public Library, we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2024.

Financial Highlights

The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources as of December 31, 2024 by \$9,282,018 (total net position). The Library had an investment in capital assets of \$4,986,542 and an unrestricted balance of \$4,295,476 as of December 31, 2024. The Library's net position decreased by \$15,941 and increased by \$1,686,538 during 2024 and 2023, respectively.

Overview of Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. These basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The statement of net position presents information on all of the Library's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Overtime, changes in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The statement of activities presents information showing how the net position of the Library changed during the current fiscal year. Changes in net position are reported in the statement of activities when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future year (e.g., uncollected taxes and earned, but unused vacation and sick leave).

Both of the government-wide financial statements report functions of the Library that are supported by taxes and intergovernmental revenues (governmental activities) as the Library does not engage in functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Library include culture and recreation services.

OAK LAWN PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

The government-wide financial statements include only the activities of the Oak Lawn Public Library. The Library has no component units; however, the Library is considered a component unit of the Village of Oak Lawn, Illinois.

The government-wide financial statements can be found on pages 11 - 12 of this report.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental funds account for essentially the same information reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same function, it is useful to compare the information presented. Because the focus of each report differs, reconciliations are provided in the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The General Fund and the Capital Project Fund of the Library are categorized as governmental funds. The Library adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement included in the fund financial statements section of this report demonstrates the Library's compliance with the adopted budget for the General Fund.

The basic governmental fund financial statements can be found on pages 13 - 17 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 18 - 31 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,282,018 at the close of 2024.

OAK LAWN PUBLIC LIBRARYMANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024

The largest portion of the Library's net position reflects its investment in capital assets (e.g., land, buildings and equipment). The Library uses these assets to provide services to citizens; consequently, these assets are not available for future spending. The collections and other materials owned by the Library are not included in the capital assets as they do not meet the capitalization policy of the Library and are not intended to be liquidated in the future to satisfy liabilities of the Library.

OAK LAWN PUBLIC LIBRARY
NET POSITION
DECEMBER 31, 2024 AND 2023

	Governmental Activities	
	2024	2023
Current and other assets	\$ 10,534,206	\$ 10,101,191
Capital assets	4,986,542	4,657,313
Total assets	15,520,748	14,758,504
Deferred outflows of resources	618,012	1,313,926
Current liabilities	295,129	161,790
Noncurrent liabilities	854,328	956,087
Total liabilities	1,149,457	1,117,877
Deferred inflows of resources	5,707,285	5,656,594
Net position:		
Net investment in capital assets	4,986,542	4,657,313
Unrestricted	4,295,476	4,640,646
Total net position	\$ 9,282,018	\$ 9,297,959

OAK LAWN PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

OAK LAWN PUBLIC LIBRARY CHANGE IN NET POSITION YEARS ENDED DECEMBER 31, 2024 AND 2023

	Governmental Activities	
	2024	2023
Revenues:		
Charges for services	\$ 39,787	\$ 30,638
Operating grants/contributions	117,153	111,744
General revenues	5,939,778	6,150,482
Total revenues	6,096,718	6,292,864
Expenses	6,112,659	4,606,326
Change in net position	(15,941)	1,686,538
Net position at beginning of year	9,297,959	7,611,421
Net position at end of year	<u>\$ 9,282,018</u>	<u>\$ 9,297,959</u>

Governmental activities decreased the Library's net position by \$15,941 from the prior year for an ending balance of \$9,282,018. The decrease in governmental activities in 2024 was primarily due to decreases in property tax receipts and personal property replacement tax. These decreases were offset by an increase in interest income. Additionally, expenses related to salaries, maintenance, and changes in the balances associated with the Library's participation in the Illinois Municipal Retirement Fund plan increased over the prior year.

Financial Analysis of the Library's Funds

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

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

As of December 31, 2024, the Library's governmental funds reported an ending balance of \$4,536,173, an increase of \$215,397. Approximately 43.1%, or \$1,953,337, constitutes unassigned fund balance, which is available for spending at the Library's discretion. Approximately 1.2%, or \$56,221, of fund balance is not

OAK LAWN PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

in spendable form and approximately 55.7%, or \$2,526,615, of fund balance is assigned for particular purposes.

The General Fund is the chief operating fund of the Library. During the year ended December 31, 2024, unassigned fund balance of the General Fund decreased by \$111,777 to \$1,953,337 and total fund balance decreased by \$107,272 to \$2,009,558. The decrease in fund balance was primarily due to decreases in property tax and personal property replacement tax revenues while expenditures increased by \$130,972 in the current year.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance and total fund balance represent 36.6% and 37.7% of the General Fund's current year expenditures, respectively.

The Capital Project Fund, a major governmental fund, had a \$322,669 increase in fund balance during the current year. The increase in fund balance was due to the Fund expenditures increasing due to transfer of funds from the General Fund during the year that exceeded expenditures paid out during the year.

Budgetary Highlights

The 2024 General Fund annual budget for the Library totaled \$5,828,708, including \$184,000 for capital outlay expenditures. Total actual expenditures were less than final budgeted amounts by \$498,891. Personnel services and personnel benefits were a combined \$482,901 less than budget.

Capital Assets

The Library's investment in capital assets for its governmental activities, net of accumulated depreciation, as of December 31, 2024 amounts to \$4,986,542. This investment in capital assets includes land, buildings and equipment with an individual asset cost in excess of \$5,000, the Library's capitalization threshold. The Library does not own any infrastructure assets.

The net capital asset additions (not including depreciation) during the year totaled \$578,747. Additions were mainly for purchase of equipment, building improvements, and construction in progress. For more information, please see Note 2B. in the notes to the financial statements.

Economic Factors and Next Year's Budgets

Fiscal Year 2024 saw no levy increase. Because of this, the Library had to remain vigilant on frugal spending, as inflation continued to increase costs of nearly every service and goods purchased.

As 2024 drew to a close, so too did the first phase of a lobby remodel project. From the Capital Reserve Fund, two existing staff offices were removed from the north central area, and a new workroom was constructed in the northeast corner of the lobby. This new space included a drive-thru window for a new public service of drive-thru holds pick-up. This service was set to launch in the spring of 2025. Also included in this phase of the project was new lobby carpet and paint, and new Audio-Visual shelving. As 2024 drew to a close, the shelving was on order and scheduled to be installed immediately following the 2025 New

OAK LAWN PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

Year's holiday. Other Capital Improvements during 2024 included the carpeting and painting of the Business Office located in the North Basement. One of our multiple HVAC units (RTU-1-T) located on the roof needed to be replaced, which was a significant cost from the Capital Reserve Fund.

A ratified Collective Bargaining Agreement went into effect mid-year in 2024. This resulted in a mid-year salary increase for many staff. The CBA also eliminated the liability for Sick Time payouts of time earned beyond the bank limits and the payout of balances at separation of employment.

The Library invested more funding on security, adding additional exterior cameras as well as participating in the Village of Oak Lawn's camera registry program, purchasing equipment that allows the police department live access to our security camera feed.

Professional Development was an emphasis throughout 2024 on many levels. Staff received in-house training, as well as being provided opportunities to attend workshops, training, and networking outside the library. Multiple staff attended conferences throughout the year, including, SWAN Expo, PLA, ALA, Altogether HR, and Employment Law. Training opportunities were sought out to build skills and knowledge for all staff, from maintenance, to desk staff, to managers and administrators. An investment in our people is an investment in the future of the organization.

Looking ahead to 2025, frugal spending will allow the Library to transfer unspent 2024 Operating Budget monies into the Capital Reserve Fund. 2025 will see the beginning of the second phase of the lobby remodel, an estimated \$500,000 construction cost and an additional \$250,000 in furniture and equipment. In 2026 and beyond, the Library looks to update the South Basement meeting rooms and hallway as well as a redesign on the second-floor public spaces and collection shelving. In order to ensure adequate funding to complete these proposed upgrades and others to come, it is necessary to spend below our Operating Budget each year to save for the large "wow-factor" projects.

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Library Director, 9427 S. Raymond Avenue, Oak Lawn, Illinois, 60453. General information relating to the Oak Lawn Public Library can be found at the Library's website, <http://www.olpl.org>.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

OAK LAWN PUBLIC LIBRARY
STATEMENT OF NET POSITION
DECEMBER 31, 2024
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 4,577,825	\$4,270,685
Accounts receivable	143,485	-
Property taxes receivable	5,702,904	5,694,668
Personal property replacement taxes receivable	53,771	84,122
Prepaid items	56,221	51,716
Capital assets not being depreciated:		
Land and improvements	165,688	165,688
Construction in progress	11,994	21,320
Capital assets net of accumulated depreciation:		
Buildings	4,542,550	4,248,640
Equipment and furnishings	266,310	221,665
Total assets	<u>15,520,748</u>	<u>14,758,504</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension amounts	<u>618,012</u>	<u>1,313,926</u>
LIABILITIES		
Accounts payable	109,063	16,306
Accrued payroll	143,480	138,799
Property tax refunds due	38,515	-
Unearned revenue	4,071	6,685
Noncurrent liabilities:		
Due within one year	215,104	172,595
Due in more than one year	639,224	783,492
Total liabilities	<u>1,149,457</u>	<u>1,117,877</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension amounts	4,381	37,969
Property taxes levied for future period	<u>5,702,904</u>	<u>5,618,625</u>
Total deferred inflows of resources	<u>5,707,285</u>	<u>5,656,594</u>
NET POSITION		
Net investment in capital assets	4,986,542	4,657,313
Unrestricted	<u>4,295,476</u>	<u>4,640,646</u>
Total net position	<u>\$ 9,282,018</u>	<u>9,297,959</u>

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

**OAK LAWN PUBLIC LIBRARY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			in Net Position	
	Expenses	Charges for Services	Operating Grants/Contributions	2024	2023
Governmental activities:					
Culture and recreation	<u>\$ 6,112,659</u>	<u>\$ 39,787</u>	<u>\$ 117,153</u>	<u>\$ (5,955,719)</u>	<u>\$ (4,463,944)</u>
General revenues:					
Property taxes				5,474,179	5,677,626
Interest income				268,182	168,442
Intergovernmental - personal property replacement taxes				161,832	269,167
Other income				<u>35,585</u>	<u>35,247</u>
Total general revenues				<u>5,939,778</u>	<u>6,150,482</u>
Change in net position				(15,941)	1,686,538
Net position at beginning of year				<u>9,297,959</u>	<u>7,611,421</u>
Net position at end of year				<u>\$ 9,282,018</u>	<u>\$ 9,297,959</u>

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

FUND FINANCIAL STATEMENTS

OAK LAWN PUBLIC LIBRARY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023

	General Fund	Capital Project Fund	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 2,113,233	\$ 2,464,592	\$ 4,577,825	\$4,270,685
Accounts receivable	-	143,485	143,485	-
Property taxes receivable	5,702,904	-	5,702,904	5,694,668
Personal property replacement taxes receivable	53,771	-	53,771	84,122
Due from other fund	2,613	-	2,613	1,070
Prepaid items	56,221	-	56,221	51,716
	<u>7,928,742</u>	<u>2,608,077</u>	<u>10,536,819</u>	<u>10,102,261</u>
Total assets				
LIABILITIES				
Accounts payable	30,214	78,849	109,063	16,306
Accrued payroll	143,480	-	143,480	138,799
Property tax refunds due	38,515	-	38,515	-
Due to other fund	-	2,613	2,613	1,070
Unearned revenue	4,071	-	4,071	6,685
	<u>216,280</u>	<u>81,462</u>	<u>297,742</u>	<u>162,860</u>
Total liabilities				
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future period	5,702,904	-	5,702,904	5,618,625
	<u>5,702,904</u>	<u>-</u>	<u>5,702,904</u>	<u>5,618,625</u>
Total deferred inflows of resources				
FUND BALANCES				
Nonspendable - prepaid items	56,221	-	56,221	51,716
Committed - capital projects	-	-	-	71,192
Assigned - capital projects	-	2,526,615	2,526,615	2,132,754
Unassigned	1,953,337	-	1,953,337	2,065,114
	<u>2,009,558</u>	<u>2,526,615</u>	<u>4,536,173</u>	<u>4,320,776</u>
Total fund balances				
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,928,742</u>	<u>\$ 2,608,077</u>	<u>\$ 10,536,819</u>	<u>\$ 10,102,261</u>

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

OAK LAWN PUBLIC LIBRARY
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL
FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Fund balances - total governmental funds		\$ 4,536,173
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities of \$12,158,432, net of accumulated depreciation of \$7,171,890, are not financial resources and, therefore, are not reported in the funds.		4,986,542
The net pension liability is not an available financial resource, and, therefore, is not reported in the funds.		(580,201)
Compensated absences payable are not due and payable in the current year and, therefore, are not reported as liabilities in the funds.		(274,127)
Deferred outflows and inflows of resources related to the pension plan are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows and inflows of resources related to the pension plan at year-end are as follows:		
Deferred pension outflows	\$ 618,012	
Deferred pension inflows	<u>(4,381)</u>	
Total		<u>613,631</u>
NET POSITION OF GOVERNMENTAL FUNDS		<u><u>\$ 9,282,018</u></u>

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

OAK LAWN PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Capital Project Fund	Totals	
			2024	2023
Revenues:				
Property taxes	\$ 5,474,179	\$ -	\$ 5,474,179	\$5,677,626
Books - lost and paid	12,692	-	12,692	6,760
Computer lab	1,173	-	1,173	1,206
Donations	22,722	-	22,722	17,494
Printing, copying and faxing fees	21,427	-	21,427	19,836
Fines	4,495	-	4,495	2,836
Grants	94,431	-	94,431	94,250
Interest income	139,799	128,383	268,182	168,442
Miscellaneous	35,585	-	35,585	35,247
Personal property replacement taxes	161,832	-	161,832	269,167
Total revenues	5,968,335	128,383	6,096,718	\$6,292,864
Expenditures:				
Current:				
Culture and recreation	5,102,458	391,193	5,493,651	4,935,512
Capital outlay	227,359	160,311	387,670	386,851
Total expenditures	5,329,817	551,504	5,881,321	5,322,363
Revenues over (under) expenditures	638,518	(423,121)	215,397	970,501
Other financing sources (uses):				
Transfers in	-	745,790	745,790	699,477
Transfers out	(745,790)	-	(745,790)	(699,477)
Total other financing sources (uses)	(745,790)	745,790	-	-
Net change in fund balances	(107,272)	322,669	215,397	970,501
Fund balances at beginning of year	2,116,830	2,203,946	4,320,776	3,350,275
Fund balances at end of year	\$ 2,009,558	\$ 2,526,615	\$ 4,536,173	\$ 4,320,776

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

**OAK LAWN PUBLIC LIBRARY
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE CHANGE IN NET
POSITION OF GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net change in fund balances - total governmental funds	\$ 215,397
--	------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets in excess of the capitalization threshold is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$278,461) exceeded capitalized expenditures (\$609,155) in the current year.	330,694
---	---------

Losses on the disposal of capital assets are reported in the statement of activities as a functional expense.	(1,465)
---	---------

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the amount by which the accrual for compensated absences decreased during the current period.	(14,228)
--	----------

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension contributions exceeded pension benefits earned in the current period.	<u>(546,339)</u>
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Change in net position of governmental activities	<u><u>\$ (15,941)</u></u>
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The accompanying notes are an integral part of the financial statements.

OAK LAWN PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$ 5,618,625	\$ 5,474,179	\$ (144,446)
Books - lost and paid	4,000	12,692	8,692
Computer lab	1,000	1,173	173
Donations	5,000	22,722	17,722
Printing, copying and faxing fees	18,750	21,427	2,677
Fines	-	4,495	4,495
Grants	93,584	94,431	847
Interest income	72,000	139,799	67,799
Miscellaneous	32,250	35,585	3,335
Personal property replacement taxes	225,000	161,832	(63,168)
	<u>6,070,209</u>	<u>5,968,335</u>	<u>(101,874)</u>
Total revenues			
Expenditures:			
Current:			
Personnel services	3,325,984	2,914,760	411,224
Personnel benefits	1,126,918	1,055,241	71,677
Library materials	500,000	491,934	8,066
Commodities	402,550	350,392	52,158
Contractual	289,256	258,934	30,322
Miscellaneous	-	31,197	(31,197)
Intergovernmental	-	-	-
Capital outlay	184,000	227,359	(43,359)
	<u>5,828,708</u>	<u>5,329,817</u>	<u>498,891</u>
Total expenditures			
Revenues over expenditures	241,501	638,518	397,017
Other financing uses:			
Transfers in/(out)	-	(745,790)	(745,790)
	<u>241,501</u>	<u>(107,272)</u>	<u>(348,773)</u>
Net change in fund balances			
Fund balances at beginning of year		<u>2,116,830</u>	
Fund balances at end of year		<u>\$ 2,009,558</u>	

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

NOTES TO FINANCIAL STATEMENTS

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Oak Lawn Public Library is dedicated to providing the best possible library service for the Village of Oak Lawn, Illinois. The Library is committed to collecting and dispensing information in conjunction with and in support of the principles of intellectual freedom for all. In addition, it serves as a source for self-education and personal enrichment; develops programs and services for children entering the world of reading; provides a center for recreational reading, listening, and viewing; furnishes supplementary resources for use by elementary and secondary school students; and makes available facilities and resources for group interaction and community participation.

Accounting principles generally accepted in the United States of America require that these financial statements include the Library and its component units, entities for which the Library is considered to be financially accountable. At December 31, 2024, no entities were considered component units of the Library. The Library is considered a component unit of the Village of Oak Lawn, Illinois because of the Village's responsibility for approval of the Library's property tax levy.

B. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from the governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the Library's funds. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Library reports the following major governmental funds:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library except those required to be accounted for in another fund.

The Capital Project Fund accounts for financial resources earmarked or segregated for major improvements and repairs to the Library building and the planned future independent catalog system, except those financed and accounted for in the General Fund.

During the course of operations, the Library has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as transfers in/out. While reported in the fund financial statements, the transfers are eliminated in the preparation of the government-wide financial statements.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, personal property replacement taxes, investment income and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Library.

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Information

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and the Capital Project Fund. The annual appropriation lapses at fiscal year-end.

The Library follows these procedures in establishing its annual budget:

1. The Library submits a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them for the General Fund and the Capital Project Fund.
2. The appropriation is legally enacted through passage of an ordinance.
3. The Library is authorized to transfer appropriated amounts between departments within funds with proper Board approval.
4. State law requires that "expenditures be made in conformity with the appropriation/budget." Transfers between line items, departments and funds may be made by administrative action. The level of legal control is generally considered to be the entire appropriation.
5. Appropriated amounts are as originally adopted.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies, is not employed by the Library.

The Library did not have any funds that had an excess of actual expenditures over the budgeted amount for the year ended December 31, 2024.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

The Library'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 acquisition.

2. Investments

State statutes authorize the Library 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, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds, which are under the oversight of the state of Illinois.

Investments of the Library with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Library invests in The Illinois Funds, an investment pool managed by the Illinois State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. The state of Illinois provides regulatory oversight of The Illinois Funds. The Illinois Funds is not registered with the Securities and Exchange Commission as an investment company. The Illinois Funds operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expense/expenditure when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Type of Asset</u>	<u>Life in Years</u>
Buildings	40
Equipment and furnishings	3 - 10

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Library has one item that qualifies for reporting in this category in the government-wide statement of net position, deferred pension amounts (see Note 3.A for further discussion of deferred outflows of resources related to pensions).

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Library has two items that qualify for reporting in this category in the government-wide financial statements. One item is related to property taxes that are levied for a future period. The other item is deferred pension amounts (see Note 3.A for further discussion of deferred inflows of resources related to pensions). In the governmental fund balance sheet, unavailable revenues are reported as deferred inflows of resources.

6. *Net Position Flow Assumption*

Sometimes the Library will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Library's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

7. *Fund Balance Flow Assumptions*

Sometimes the Library will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Library itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Library's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the Library that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as committed. The Board of Trustees may, by resolution, authorize an individual to assign fund balance. The Board of Trustees has not adopted such a resolution. The Board of Trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and Expenses/Expenditures

1. Program Revenues

Amounts reported as program revenues include 1) charges to individuals or entities that 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied as of January 1 on property values assessed on the same date. The tax levy is divided into two billings: the first billing (usually mailed on or about February 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (usually mailed on or about July 1) reflects adjustments to the current year's actual levy. Significant collections are received in the month following the due date. The billings are considered past due 30 days after the respective tax billing date at which time the applicable property is subject to lien, and penalties and interest are assessed.

3. Compensated Absences

GASB Statement No. 101, *Compensated Absences*, requires that liabilities be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the leave accumulates, and (c) the leave is more likely than not be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability that has not been used, generally using an employee's pay rate as of the date of the financial statements. In addition, certain salary-related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

The Library accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations or retirements.

H. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, and deferred outflows/inflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues and expenses/expenditures. Significant estimates used in preparing the government-wide financial statements include the assumptions used to determine the net pension asset/liability and the related deferred outflows/inflows of resources. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could differ from those estimates.

I. Management's Evaluation of Going Concern

In accordance with accounting principles generally accepted in the United States of America, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Library's ability to continue as a going concern through December 31, 2025. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Library's ability to continue as a going concern through December 31, 2025.

J. Prior-Year Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Library's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

K. Adoption of Accounting Standards

The Library has implemented requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 in relation to GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

The Library's cash and cash equivalents at December 31, 2024 was comprised of the following:

Cash on hand	\$ 1,000
Deposits with financial institutions	807,187
The Illinois Funds	<u>3,769,638</u>
Total	<u>\$ 4,577,825</u>

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Library's deposits might not be recovered. The Library's deposit policy for custodial credit risk requires that funds in excess of federal depository insurance coverage be collateralized. As of December 31, 2024, all of the Library's bank balances in the amount of \$4,738,903 was collateralized by Federal Deposit Insurance Corporation (FDIC) limits and/or securities held by the pledging financial institution.

Investment Policies

The Library's investments are subject to the following risks:

Concentration of credit risk is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library does not have an investment policy for the concentration of credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, the Library can only invest in securities guaranteed by the U.S. government, or in FDIC insured institutions. Deposit accounts in banks or savings and loan institutions are not to exceed the FDIC coverage unless they are adequately collateralized pursuant to regulations of the Federal Reserve regarding custody and safekeeping of collateral. Authorized investments include and should primarily consist of certificates of deposit and participation in The Illinois Funds, a Public Treasurer's Investment Pool for the State of Illinois.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment program provides that within the constraints of Illinois law, considerations of safety, and the investment policy, every effort should be made to maximize return on investments made. All available funds will be placed in investments or kept in interest bearing accounts.

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**B. Capital Assets**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Transfers / Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets, not being depreciated:				
Land and improvements	\$ 165,688	\$ -	\$ -	\$ 165,688
Construction in progress	<u>21,320</u>	<u>11,994</u>	<u>21,320</u>	<u>11,994</u>
Total capital assets not being depreciated	<u>187,008</u>	<u>11,994</u>	<u>21,320</u>	<u>177,682</u>
Capital assets being depreciated:				
Buildings	10,093,949	522,765	-	10,616,714
Equipment and furnishings	<u>1,298,728</u>	<u>95,716</u>	<u>30,408</u>	<u>1,364,036</u>
Total capital assets being depreciated	<u>11,392,677</u>	<u>618,481</u>	<u>30,408</u>	<u>11,980,750</u>
Less accumulated depreciation for:				
Buildings	(5,845,309)	(228,855)	-	(6,074,164)
Equipment and furnishings	<u>(1,077,063)</u>	<u>(49,606)</u>	<u>28,943</u>	<u>(1,097,726)</u>
Total accumulated depreciation	<u>(6,922,372)</u>	<u>(278,461)</u>	<u>28,943</u>	<u>(7,171,890)</u>
Total capital assets being depreciated, net	<u>4,470,305</u>	<u>340,020</u>	<u>1,465</u>	<u>4,808,860</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 4,657,313</u>	<u>\$ 352,014</u>	<u>\$ 22,785</u>	<u>\$ 4,986,542</u>

Depreciation of \$278,461 was charged to the culture and recreation function.

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

C. Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions / Adjustments	Reductions / Adjustments	Ending Balance	Due Within One Year
Compensated absences payable*	\$ 259,899	\$ 14,228	\$ -	\$ 274,127	\$ 215,104
Net pension liability - Illinois Municipal Retirement Fund	696,188	-	(115,987)	580,201	-
Total	<u>\$ 956,087</u>	<u>\$ 14,228</u>	<u>\$ (115,987)</u>	<u>\$ 854,328</u>	<u>\$ 215,104</u>

*The change in the compensated absences balances liability is presented as a net change.

D. Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. During the fiscal year, the General Fund transferred \$745,790 to the Capital Projects Fund to fund future capital projects.

E. Interfund Balances

As of December 31, 2024, the Capital Projects Fund owed the General Fund \$2,613 for expenditure reimbursements.

NOTE 3 - OTHER INFORMATION

A. Illinois Municipal Retirement Fund

The Library contributes, through the Village of Oak Lawn, Illinois, to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The Library's participation in IMRF is equivalent to a cost sharing multiple employer pension plan since only one actuarial valuation is performed for the Library and the Village combined. All disclosures for an agent plan, including required supplementary information, can be found in the Village's financial statements.

1. Plan Description

The Library's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Library's plan is managed by IMRF, the administrator of an agent multiple employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed

NOTE 3 - OTHER INFORMATION (Continued)

information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

2. Benefits Provided

IMRF has three benefit plans. The 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). Employees of the Library who are eligible to participate in the plan participate in the RP.

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 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.

3. Contributions

As set by statute, the Library's RP members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's annual required contribution rate for calendar year 2024 was 6.31%. For the year ended December 31, 2024, the Library contributed \$176,428 to the plan. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

4. Net Pension Liability

At December 31, 2024, the Library reported a liability of \$580,201 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's covered payroll under

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 3 - OTHER INFORMATION (Continued)

the plan for the year ended December 31, 2024 relative to the covered payroll of the Village, actuarially determined. At December 31, 2024, the Library's proportion was 17.05%, a decrease of 0.76% from the prior year.

5. Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability at December 31, 2024:

- The Actuarial Cost Method used was Entry-Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
- Mortality - Nondisabled Retirees: 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 were used.
- Mortality - Disabled Retirees: 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.
- Mortality - Active Members: 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 as of December 31, 2024:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	4.35%
International equity	18.0%	5.40%
Fixed income	24.5%	5.20%
Real estate	10.5%	6.40%
Alternative investments	12.5%	4.85-6.25%
Cash equivalents	1.0%	3.60%
Total	100%	

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 3 - OTHER INFORMATION (Continued)

6. *Single Discount Rate*

A Single Discount Rate of 7.25% was used to measure the net pension liability as of December 31, 2024. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Library's net pension liability/(asset)	<u>\$ 3,680,774</u>	<u>\$ 580,201</u>	<u>\$ (1,935,892)</u>

8. *Pension Income, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2024, the Library recognized pension expense of \$721,794. At December 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 105,960	\$ -
Changes of assumptions	-	4,381
Net difference between projected and actual earnings on pension plan investments	<u>512,052</u>	<u>-</u>
TOTAL	<u>\$ 618,012</u>	<u>\$ 4,381</u>

OAK LAWN PUBLIC LIBRARY

Notes to the Financial Statements
December 31, 2024

NOTE 3 - OTHER INFORMATION (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	
2025	\$ 332,446
2026	687,601
2027	(281,254)
2028	(125,162)
2029	<u>-</u>
TOTAL	<u>\$ 613,631</u>

B. Risk Management

The Library is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and employee medical coverage for which the Library carries commercial insurance. The Library also participates in a public entity risk pool to provide coverage for losses from general liabilities and workers' compensation. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in the current year or the past three years.

The Library is a member of the Libraries of Illinois Risk Agency (LIRA), a public entity risk pool with the transfer of risk. LIRA provides conventional insurance and/or self-insurance for claims against or by its participants. The Library is responsible for an annual premium payment and the pool is responsible for administering the program. If funds are insufficient in the judgment of the pool, the pool may assess additional payments to its members. The Library's policy is to record any related expenditures in the year in which it is notified of any additional assessments. The Library is not aware of any additional assessments owed as of December 31, 2024.

C. Subsequent Events

Management has evaluated subsequent events through June 11, 2025, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN INFORMATION

**OAK LAWN PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	17.05000%	17.80964%	18.42916%	21.79490%	23.19407%	22.80000%	23.29164%	22.21635%	23.47198%	23.15791%
Employer's proportionate share of the net pension liability (asset)	\$ 580,201	\$ 696,188	\$ 1,880,776	\$ (3,430,690)	\$ (1,046,061)	\$ 852,442	\$ 3,288,246	\$ (180,202)	\$ 2,499,063	\$ 2,604,336
Employer's covered payroll	2,780,586	2,643,879	2,558,026	2,504,384	2,630,972	2,764,559	2,693,070	2,586,781	2,608,154	2,647,963
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.87%	26.33%	73.52%	-136.99%	-39.76%	30.83%	122.10%	-6.97%	95.82%	98.35%

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	175,455	171,059	256,570	311,604	324,052	251,999	346,329	333,816	342,367	343,348
Contributions in relation to the statutorily required contribution	175,455	171,016	261,731	334,225	264,653	251,999	346,329	333,816	342,367	343,348
Contribution deficiency (excess)	-	43	(5,161)	(22,621)	59,399	-	-	-	-	-
Employer's covered payroll	\$ 2,780,586	\$ 2,643,879	\$ 2,558,026	\$ 2,504,384	\$ 2,630,972	\$ 2,764,559	\$ 2,693,070	\$ 2,586,781	\$ 2,608,154	\$ 2,647,963
Contributions as a percentage of covered payroll	6.31%	6.47%	10.23%	13.35%	10.06%	9.12%	12.86%	12.90%	13.13%	12.97%

The information in both schedules will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND SCHEDULE

CAPITAL PROJECT FUND

**OAK LAWN PUBLIC LIBRARY
CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest income	\$ 75,000	\$ 128,383	\$ 53,383
Expenditures:			
Current:			
Contractual	1,120,000	391,193	728,807
Capital outlay	150,000	160,311	(10,311)
Total expenditures	1,270,000	551,504	718,496
Revenues under expenditures	(1,195,000)	(423,121)	771,879
Other financing sources/(uses):			
Transfers in/(out)	-	745,790	745,790
Net change in fund balances	<u>\$ (1,195,000)</u>	322,669	<u>\$ 1,517,669</u>
Fund balances at beginning of year		2,203,946	
Fund balances at end of year		<u>\$ 2,526,615</u>	

See independent auditor's report.

OTHER INFORMATION SECTION

OAK LAWN PUBLIC LIBRARY
SCHEDULE OF PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
DECEMBER 31, 2024

	2023 (2)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total assessed valuation (1)	\$ 1,633,123,906	\$ 1,193,366,101	\$ 1,211,273,708	\$ 1,317,099,060	\$ 1,150,256,869	\$ 1,151,662,883	\$ 1,185,569,994	\$ 1,026,870,185	\$ 983,420,172	\$ 1,013,826,609
Total tax levy	\$ 5,787,184	\$ 5,787,184	\$ 5,673,710	\$ 5,562,461	\$ 5,921,939	\$ 5,854,918	\$ 5,833,004	\$ 5,699,130	\$ 5,703,837	\$ 5,636,876
Current tax collections	5,470,211	5,578,467	5,508,154	5,420,092	5,801,275	5,683,857	5,629,659	5,487,789	5,500,078	\$ 5,500,694
Percent of levy collected	94.52%	96.39%	97.08%	97.44%	97.96%	97.08%	96.51%	96.29%	96.43%	97.58%

(1) Assessed valuation is as of the year preceding the fiscal year in which the taxes are levied.

(2) 2023 is the most current information available.

Data Source

Office of the Cook County Clerk