



**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended May 31, 2025



SIKICH.COM

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
TABLE OF CONTENTS**

| | <u>Page(s)</u> |
|---|----------------|
| INDEPENDENT AUDITOR’S REPORT | 1-3 |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS | |
| Management’s Discussion and Analysis..... | MD&A 1-11 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position..... | 4 |
| Statement of Activities | 5 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet..... | 6 |
| Reconciliation of Fund Balance of Governmental Funds to the Governmental Activities in the Statement of Net Position..... | 7 |
| Statement of Revenues, Expenditures and Changes in Fund Balance..... | 8 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Activities in the Statement of Activities..... | 9 |
| Notes to Financial Statements | 10-26 |
| Required Supplementary Information | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund..... | 27 |
| Notes to Required Supplementary Information | 28 |
| Illinois Municipal Retirement Fund | |
| Schedule of Employer Contributions | 29 |
| Schedule of Employer’s Proportionate Share of the Net Pension Liability | 30 |
| Other Postemployment Benefit Plan | |
| Schedule of Changes in the Employer’s Total OPEB Liability and Related Ratios | 31 |

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
TABLE OF CONTENTS (Continued)**

| | <u>Page(s)</u> |
|--|----------------|
| INDIVIDUAL FUND SCHEDULES | |
| GENERAL FUND | |
| Schedule of Revenues - Budget and Actual | 32 |
| Schedule of Expenditures - Budget and Actual | 33 |
| SUPPLEMENTAL SECTION | |
| Property Tax Assessed Valuations, Rates, Extensions and Collections - Last Ten Levy Years | 34 |

INDEPENDENT AUDITOR'S REPORT

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Messenger Public Library
North Aurora, Illinois

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the Messenger Public Library, North Aurora, Illinois (the Library), as of and for the year ended May 31, 2025 and the related notes to the financial statements, which collectively comprise the 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 the major fund of Messenger Public Library as of May 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 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 these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for 12 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The individual fund schedules in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Library. The individual fund schedules are the responsibility of management and were derived from and relate 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 information 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 supplemental section as listed in the table of contents, 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.

Sikich CPA LLC

Naperville, Illinois
December 8, 2025

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

MESSENGER PUBLIC LIBRARY OF NORTH AURORA

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2025

As the management of the Messenger Public Library of North Aurora (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 May 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Library's Financial Statements.

This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Library's financial activity (3) identify changes in the Library's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify fund issues or concerns.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

Government-Wide Financial Statement

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 focus of the Statement of Net Position presents information on all the Library's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

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

The government-wide financial statements (pages 4 - 5) describe functions of the Library that are principally supported by taxes and intergovernmental revenues (government activities). The governmental activities of the Library reflect the Library's basic services, including materials collections, reference and readers' services, programming, interlibrary loan, and outreach services.

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements to be more familiar. The focus of the presentation is on the fund rather than the fund type. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund of the Library is categorized as a governmental fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains one fund. Information for this fund is presented in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance.

The Library adopts an annual budget for its government fund. A budgetary comparison statement has been provided elsewhere in this report to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 6 - 9 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 - 26 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's progress in funding its obligation to provide benefits to its employees. Required supplementary information can be found on pages 27 - 31 of this report.

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

Financial Analysis of the Library as a Whole

In accordance with GASB Statement No. 34, a comparative analysis of government-wide information has been presented.

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

**Table 1
Statement of Net Position**

| Governmental Activities | As of May 31, 2024 | As of May 31, 2025 |
|--|-------------------------------|-------------------------------|
| Current and Other Assets | \$ 4,584,768 | \$ 4,858,835 |
| Capital Assets | 4,226,717 | 3,933,354 |
| Deferred Outflows | 298,989 | 244,372 |
| | \$ 9,110,474 | \$ 9,036,561 |
| Total Assets and Deferred Outflows | | |
| Long-Term Liabilities | \$ 660,676 | \$ 713,246 |
| Other Liabilities | 42,781 | 62,306 |
| Deferred Inflows | 2,138,415 | 2,234,732 |
| | \$ 2,841,872 | \$ 3,010,284 |
| Total Liabilities and Deferred Inflows | | |
| Net Position | | |
| Net Investment in Capital Assets | \$ 4,226,717 | \$ 3,933,354 |
| Restricted | 85,092 | 89,313 |
| Unrestricted | 1,956,793 | 2,003,610 |
| | \$ 6,268,602 | \$ 6,026,277 |
| Total Net Position | | |

The Library’s net position decreased by \$242,325, or 3.87% from FY24. Capital assets depreciated as standard from year to year. Non-capital assets increased by \$274,067, or 6.22%.

For more detailed information, see the Statement of Net Position on page 4.

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Activities

The following table summarizes the revenue and expenses of the Library's activities:

**Table 2
Change in Net Position**

| Governmental Activities | As of May 31, 2024 | As of May 31, 2025 |
|--|-------------------------------|-------------------------------|
| Revenues | | |
| <i>Program Revenues</i> | | |
| Charges for Services | \$ 9,366 | \$ 9,935 |
| Operating Grants | 29,575 | 34,638 |
| Capital Grants | - | - |
| <i>General Revenues</i> | | |
| Property Taxes | \$ 2,018,305 | \$ 2,119,065 |
| Replacement Taxes | 29,811 | 18,958 |
| Investment Income | 168,613 | 152,922 |
| Miscellaneous | 4,608 | 7,237 |
| Total Revenues | \$ 2,260,278 | \$ 2,342,755 |
| Expenses | | |
| Culture and Recreation | \$ 2,194,148 | \$ 2,585,080 |
| Total Expenses | \$ 2,194,148 | \$ 2,585,080 |
| Change in Net Position | 66,130 | (242,325) |
| Net Position, Beginning of Year | 6,202,472 | 6,202,472 |
| Total Net Position, End of Year | \$ 6,268,602 | \$ 6,026,277 |

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**2024-2025 FINANCIAL OVERVIEW
Messenger Public Library of North Aurora**

INCOME SOURCES

| | |
|------------------------------------|------------------|
| Local Property Taxes | 90.5% |
| Replacement Taxes | 0.8% |
| Investment Income | 6.5% |
| Operating Grants and Contributions | 1.5% |
| Charges for Services | 0.4% |
| Miscellaneous | 0.3% |
| Total Income | \$ 2,342,755 |

EXPENDITURES BY CATEGORY

| | |
|---------------------------------|------------------|
| Salaries and Benefits | 60.6% |
| Equipment/Automation | 18.2% |
| Materials, Electronic Resources | 7.5% |
| Administration* | 13.7% |
| Total Expenditure | \$ 2,193,232 |

**Building insurance, audit, postage, professional fees, contractual services, printing, contingency, etc.*

There are seven basic impacts on revenues and expenses as reflected below:

Normal Impacts

Revenues

Effect of Tax Cap. Libraries are tax capped by PTELL, or Property Tax Extension Limitation Law and limited to raise the levy by the CPI, Consumer Price Index. This allows the Library to account for the year-to-year inflation and cost increases for goods, services, materials, programs, and employee benefits.

The Library’s total tax extension for the 2023 levy year increased 4.9% from \$2,126,570 to \$2,231,589. The increase includes revenue recapture. Extensions are needed as the Library must navigate cost increases each year for operations.

For the 2023 levy year, Kane County extended a total tax rate of 0.3013, a slight decrease from the 2022 levy year tax rate of 0.3095. The 2023 levy is payable in 2024.

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) Certain recurring revenues (Illinois State Library Per Capita Grant, etc.) may experience changes periodically while non-recurring or one-time grants are less predictable and often distort their impact on year-to-year comparisons. The FY2025 grant award amount of \$26,965 decreased slightly over the prior year award amount of \$27,118. The Library has until December 31, 2026, to expend this grant amount.

Market impacts on investment income. The Library's investment portfolio is managed using a similar average maturity to most other governments. Market conditions may cause investment income to fluctuate. Funds are invested in the Illinois Funds, which offers a competitive return, liquidity and safety, requisites of the Library's investment policy. Investment income in FY 2025 totaled \$152,922, a slight decrease over FY 2024 investment income of \$168,613.

Expenses

Changes in authorized personnel.

Changes in service demand may cause the Library Board to increase or decrease staffing levels. This year staffing levels remained stable, and turnover was minimal. Initiatives of staff stewardship, increasing personal time to industry standards, and introducing floating holidays to honor cultural diversity have strengthened the Library's ability to retain qualified employees.

Salary increases.

The Library continued to retain qualified staff as a result of leadership, higher staff pay in alignment with market rates and quality benefits.

The Library engaged in a salary study, and adopted new scales in December of 2023, to be in effect at the next annual raise period of June 2024. The Library also revised the review process to focus on frequent conversation and to discuss benchmarks, providing better data for wage decisions. The salary increases in June 24 ranged from 3%-5% average based upon performance reviews.

Inflation.

The inflation rate or CPI is gauged on a calendar year, while the Library runs on a fiscal year that is June 1, 2024 – May 31, 2025. The inflation rate in May 2024 drove the limiting rate for the levy extension, which ended capped at 5%. Rate growth is indicative of the inflation rate the Library must contend with for salary decisions, vendor contracts, operational costs, and utility costs. The Library is absorbing impacts caused by tariffs, inflationary costs, and shortages sourcing some parts for dated equipment such as the power generator.

Revenues

For the fiscal year ending May 31, 2025, revenues on an accrual basis totaled \$2,342,755.

Revenues on a modified accrual basis totaled \$2,342,755. Property taxes, the Library's largest single revenue source, amounted to \$2,119,065, or 90.5% of total revenue.

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The 2023 assessed property valuation of the Village increased 13.5% to \$801,357,639 (from \$705,859,131). The increase was due to new construction entering onto the property tax rolls, increased property values, and additional commercial development. North Aurora continues to focus on appropriate development and housing prices remain stable.

Total income from all sources was \$2,342,755, an increase of 3.6% from last year's \$2,260,278. Charges for services, which include impact fees, revenue fines, and photocopies, meeting room rental, non-residential cards, and lost materials fees represented a negligible amount of income. As the Library is a non-profit and community supported organization, the supporting income is derived from property taxes. Property and Personal Property Replacement Taxes make up the most significant portion of the Library's income, at 91.3%.

The Library received miscellaneous monetary donations and per capita grant. This year the Library received donations processed through the Community Foundation of Fox River Valley, with a highlight of \$12,000 from the Dunham Fund to support children's literacy initiatives. While this stands outside the finances of the annual audit and Library finances as it a Foundation and 501c3, this support of the Library is invaluable and is of a merit note.

Expenses/Expenditures

The Library's expenditures were \$ 2,193,232 for FY 2025. The Library's expenses on a full accrual basis were \$ 2,585,080. As required by GASB Statement No. 34, the expense total includes a depreciation expense of \$ 365,563 for governmental activities.

Total expenditures increased 0.4% from FY24. The Library had a reduction in expenditures related to library equipment as there were fewer capital projects completed in the prior year. In FY25 the Library had a notable increase in personnel expenditures as compared to the prior year.

Expenditure for salaries and benefits increased by 6.5%, in alignment with salary increases and staff stewardship initiatives. Health insurance purchased through LIMRICC, or *Library Insurance Management and Risk Control Combination*, was estimated to rise 10% for budget projections. The Library changed in January 2025 to Blue Cross from Aetna through the LIMRICC pool to mitigate the rises.

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

FINANCIAL ANALYSIS OF THE LIBRARY’S FUNDS

As noted earlier, Messenger Public Library of North Aurora uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of May 31, 2024, the governmental fund (as represented on the balance sheet on page 6) had a fund balance of \$2,415,417. This represents an increase over the prior year (\$2,339,038) of \$76,379. The Library’s expenditure increased 16.0% as a result of ongoing CPI rises, and costs for goods and services and larger capital needs including a new EDM roof. Expenditure remains below the budgeted amount to a realistic amount, allowing the Library to save for needed capital repairs as per the facility operating plan and repair schedule. Fund balances ended with a 3.3% increase.

**Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended May 31, 2025**

| | <u>Final Budget</u> | <u>Actual</u> |
|-------------------------------|---------------------|---------------------|
| Revenues | | |
| Taxes | \$ 2,166,570 | \$ 2,138,023 |
| Intergovernmental | 46,934 | 34,638 |
| Charges for Services | 6,100 | 8,319 |
| Fines and Forfeits | 2,100 | 1,616 |
| Investment Income | - | 152,922 |
| Miscellaneous | 254,100 | 7,237 |
| | <u>\$ 2,475,804</u> | <u>\$ 2,342,755</u> |
| Expenditures | | |
| Library Materials | \$ 190,000 | \$ 164,391 |
| Equipment | 503,500 | 398,971 |
| Administration | 370,000 | 299,923 |
| Personnel | 1,406,000 | 1,329,947 |
| | <u>\$ 2,469,500</u> | <u>\$ 2,193,232</u> |
| Change in Fund Balance | <u>\$ 6,304</u> | <u>\$ 149,523</u> |

The *miscellaneous revenue* was lower than the budgeted amount because the budget reflects the transfer of cash made from Special Reserves to Corporate to match yearly expenditure. This transfer occurs between cash accounts and is reflected on the balance sheet.

(See independent auditor’s report.)

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Capital Assets

The following schedule reflects the Library's capital asset balance as of May 31, 2025:

**Table 4
Capital Assets
As of May 31, 2025**

| | |
|--|----------------------------|
| Governmental Activities | |
| Capital Assets Not Being Depreciated | |
| Land | \$ 600,000 |
| Total Capital Assets Not Being Depreciated | <u>\$ 600,000</u> |
| Capital Assets Being Depreciated | |
| Buildings | \$ 5,685,953 |
| Building improvements | 1,793,956 |
| Furniture and Equipment | <u>674,355</u> |
| Total Capital Assets Being Depreciated | <u>\$ 8,154,264</u> |
| Less Accumulated Depreciation for | |
| Buildings | \$ 3,127,275 |
| Building improvements | 1,196,637 |
| Furniture and Equipment | <u>496,998</u> |
| Total Accumulated Depreciation | <u>\$ 4,820,910</u> |
| Total Capital Assets Being Depreciated, Net | <u>\$ 3,333,354</u> |
| GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET | <u><u>\$ 3,933,354</u></u> |

At year-end, the Library's investment in capital assets (net of accumulated depreciation) for its governmental-type activities was \$3,933,354. See Note 4 for further information regarding capital assets.

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**Capital Improvements and Master Facilities Operations Maintenance Plan (FOMP)
Progress and Update**

In 2024 the Library engaged in an extensive process and went to RFP with architecture and engineering firms to address needed adaptations for the building, particularly ones that impact mobility and access. After an extensive process, the Board selected Wight and Company, known leaders in Library architecture, design, and engineering.

At the beginning of 2025 the process began to fully assess mechanicals including plumbing, HVAC, building structure, envelope, electricals, roof, building grounds, parking lot and interiors. The resulting, and adopted, Facilities Operations Maintenance Plan was adopted, and reflects approximately \$1.5 million in need work through the next ten years. The most pressing matter is replacement of the building control system and associated mechanicals, of which about \$400,000 needs to be spent to update a system over 20 years old.

Wight is expected to continue the development with the first MASTER PLAN for the Library to denote development and adaptations needed in the coming years, and discussions how to finance upgrades will be substantial.

In 2024 and through 2025 more security camera updates were conducted and additional cameras were added, technology was updated with new computers for OPACS and adult department computers, and large server replacement was done to replace outdated equipment. These infrastructure updates are necessary to keep the library functional and up to date.

The library replaced many staff and patron task chairs, and donated leftovers to other libraries, local churches, schools, and patrons.

Personnel Wage and Benefit Cost Increases through December 31, 2025

Qualified, and engaged human resources are essential to operations, and a key budget driver to balance staff, facility and collection costs. The Library continued to bring wages up to market rate while also meeting CPI. This year the Library engaged in a full project to rewrite job descriptions, and worked with HR Source, a leading human resources firm, to benchmark positions against other libraries and expected pay. The revised scales were authorized in December of 2023, to be implemented in FY 24-25. The data provided a clear path to needed wage rates as well as assessed where each position was situated in fair market wages.

(See independent auditor’s report.)

**MESSENGER PUBLIC LIBRARY OF NORTH AURORA
NORTH AURORA, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

Historically the staff have been paid below market rate, prompting employee turnover, and increasing training and retention costs. The Administration and Board of Trustees reprioritized staff salaries and benefits as a matter of equity and stewardship, strengthening the retention rate of professional staff to serve the public. Navigating wage compression issues and a very tight labor market are factors in employee benefits for our current year and years to come.

Health benefits and the increases the corporations are posing for medical costs are a significant issue. The Library participates in an insurance pool to reduce costs and considers adequate medical coverage a necessary benefit to retain employees and as a matter of best practice. Cost management strategies will be explored in the next fiscal year by LIMRICC, the consortium of institutions negotiating coverage.

While staff stewardship is a priority, maintaining budget control will be crucial in the coming years as cost holistically are growing for the Library in a tight economy.

Library Board of Trustees

Trustee Officers are Mark Saperston, President; Mary Steed, Vice President; Peggy Carlson, Secretary; Tanya Berley, Treasurer. Trustees are Jim Hicks, Elizabeth Cranford and Darlene Bailey. Elections in May of 2025 allowed Trustees with expiring terms to rotate off, and new trustees Katherine Bogle and Laura McCoy were elected to the Board.

This year Trustees engaged in professional development opportunities, allowing for education and experiences with other Library Trustees.

Messenger Public Library Foundation Fund (An IRS 501c3 Fund) at the Community Foundation of the Fox River Valley (CFFRV).

The Fund balance as of March 31, 2025, or end of quarter, is 129,354.77. These funds are available for special projects and activities that may exceed the scope of the Library budget.

CONTACTING THE LIBRARY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general overview of the Library’s finances and to demonstrate accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Library Director, Messenger Public Library of North Aurora, 113 Oak Street, North Aurora, Illinois, 60542.

(See independent auditor’s report.)

BASIC FINANCIAL STATEMENTS

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

STATEMENT OF NET POSITION

May 31, 2025

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 2,695,409 |
| Property taxes receivable | 2,111,893 |
| Due from other governments | 51,533 |
| Capital assets not being depreciated | 600,000 |
| Capital assets (net of accumulated depreciation) | <u>3,333,354</u> |
| Total assets | <u>8,792,189</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension items - IMRF | <u>244,372</u> |
| Total deferred outflows of resources | <u>244,372</u> |
| Total assets and deferred outflows of resources | <u>9,036,561</u> |
| LIABILITIES | |
| Accounts payable | 18,097 |
| Accrued payroll | 44,209 |
| Long-term liabilities | |
| Due within one year | 21,228 |
| Due in more than one year | <u>692,018</u> |
| Total liabilities | <u>775,552</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred revenue | 2,231,589 |
| Pension items - IMRF | <u>3,143</u> |
| Total deferred inflows of resources | <u>2,234,732</u> |
| Total liabilities and deferred inflows of resources | <u>3,010,284</u> |
| NET POSITION | |
| Net investment in capital assets | 3,933,354 |
| Restricted for | |
| Working cash | 33,103 |
| Maintenance | 56,210 |
| Unrestricted | <u>2,003,610</u> |
| TOTAL NET POSITION | <u><u>\$ 6,026,277</u></u> |

See accompanying notes to financial statements.

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2025

| | Program Revenues | | | | Net (Expense) Revenue and Change in Net Position | |
|---------------------------------|-------------------------|--|--|----------------------------|---|-----------|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | | |
| FUNCTIONS/PROGRAMS | | | | | | |
| PRIMARY GOVERNMENT | | | | | | |
| Governmental activities | | | | | | |
| Culture and recreation | \$ 2,585,080 | \$ 9,935 | \$ 34,638 | \$ - | \$ (2,540,507) | |
| Total governmental activities | 2,585,080 | 9,935 | 34,638 | - | (2,540,507) | |
| TOTAL PRIMARY GOVERNMENT | \$ 2,585,080 | \$ 9,935 | \$ 34,638 | \$ - | (2,540,507) | |
| General revenues | | | | | | |
| Taxes | | | | | | |
| Property | | | | | | 2,119,065 |
| Replacement | | | | | | 18,958 |
| Investment income | | | | | | 152,922 |
| Miscellaneous | | | | | | 7,237 |
| Total | | | | | | 2,298,182 |
| CHANGE IN NET POSITION | | | | | (242,325) | |
| NET POSITION, JUNE 1 | | | | | 6,268,602 | |
| NET POSITION, MAY 31 | | | | | \$ 6,026,277 | |

See accompanying notes to financial statements.

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

BALANCE SHEET

GOVERNMENTAL FUNDS

May 31, 2025

| | General |
|--|---------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | |
| Cash and investments | \$ 2,695,409 |
| Property taxes receivable | 2,111,893 |
| Due from other governments | 51,533 |
| Total assets | 4,858,835 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| None | - |
| Total deferred outflows of resources | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 4,858,835 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | |
| LIABILITIES | |
| Accounts payable | \$ 18,097 |
| Accrued payroll | 44,209 |
| Total liabilities | 62,306 |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue - property taxes | 2,231,589 |
| Total deferred inflows of resources | 2,231,589 |
| Total liabilities and deferred inflows of resources | 2,293,895 |
| FUND BALANCE | |
| Restricted | |
| Working cash | 33,103 |
| Maintenance | 56,210 |
| Unrestricted | |
| Committed for special reserve | 1,118,418 |
| Assigned | |
| Subsequent year's budget | 26,463 |
| Unassigned | 1,330,746 |
| Total fund balance | 2,564,940 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 4,858,835 |

See accompanying notes to financial statements.

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

May 31, 2025

| | |
|---|----------------------------|
| FUND BALANCE OF GOVERNMENTAL FUNDS | \$ 2,564,940 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | 3,933,354 |
| Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions after the measurement date are recognized as deferred outflows and inflows of resources on the statement of net position | 241,229 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds | |
| Compensated absences payable | (78,500) |
| Net pension liability - IMRF | (598,520) |
| Total OPEB liability | <u>(36,226)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 6,026,277</u></u> |

See accompanying notes to financial statements.

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

GOVERNMENTAL FUNDS

For the Year Ended May 31, 2025

| | <u>General</u> |
|-----------------------------------|----------------------------|
| REVENUES | |
| Taxes | \$ 2,138,023 |
| Intergovernmental | 34,638 |
| Charges for services | 8,319 |
| Fines and forfeits | 1,616 |
| Investment income | 152,922 |
| Miscellaneous | <u>7,237</u> |
| Total revenues | <u>2,342,755</u> |
| EXPENDITURES | |
| Current | |
| Culture and recreation | <u>2,193,232</u> |
| Total expenditures | <u>2,193,232</u> |
| NET CHANGE IN FUND BALANCE | 149,523 |
| FUND BALANCE, JUNE 1 | <u>2,415,417</u> |
| FUND BALANCE, MAY 31 | <u><u>\$ 2,564,940</u></u> |

See accompanying notes to financial statements.

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2025

| | |
|--|-----------------------------------|
| NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND | \$ 149,523 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities | 72,200 |
| Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds | (365,563) |
| The change in deferred inflows and outflows of resources is reported only on the statement of activities IMRF | (45,915) |
| The change in compensated absences is shown as an expense on the statement of activities | (35,124) |
| The change in IMRF net pension liability is reported as an expense on the statement on activities | (27,652) |
| The change in total other postemployment benefits payable is reported as an expense on the statement on activities | <u>10,206</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ (242,325)</u></u> |

See accompanying notes to financial statements.

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

May 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Messenger Public Library, North Aurora, Illinois (the Library), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The more significant of the accounting policies are described below.

a. Reporting Entity

The Library is governed by a seven member Library Board of Trustees that are separately elected. The Library Board of Trustees selects management staff and directs the affairs of the Library. As required by GAAP, these financial statements include all funds of the Library. Management has also considered all potential component units. Criteria for including a component unit in the Library's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the Library. The Messenger Public Library of North Aurora Foundation, while a potential component unit, is not significant to the Library and, therefore, has been excluded from its reporting entity.

b. Fund Accounting

The Library uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories; governmental, proprietary and fiduciary. The Library reports only governmental funds.

Governmental funds are used to account for all or most of a library's general activities, including the collection and disbursement of restricted, committed or assigned monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of general capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the Library.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Library. The effect of material interfund activity, if any, has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Library reports the following major governmental fund:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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 fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library.

The Library reports deferred, unavailable and unearned revenue on its financial statements. Deferred and unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Library has a legal claim to the resources, the deferred inflow for deferred or unavailable revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Investments

Investments 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 purchase, if any, are stated at fair value. The Library's investments include The Illinois Funds Investment Pool and money market mutual funds. The Library categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure 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; and Level 3 inputs are significant unobservable inputs. The Library held no investments to measure at fair value at May 31, 2025.

f. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-------------------------|-------|
| Buildings | 40 |
| Building improvements | 5-7 |
| Furniture and equipment | 5-10 |

i. Compensated Absences

Vested or accumulated vacation leave including related Social Security and Medicare that is committed to be liquidated at May 31, 2025 is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

For the year ended May 31, 2025, the Library began recording sick time in their compensated absences balance in accordance with GASB Statement No. 101, *Compensated Absences*. The balance is recorded based on the average usage. As a result of the implementation of GASB Statement No. 101, beginning net position was not required to be restated, as the amounts were determined to be immaterial.

j. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balance/Net Position (Continued)

purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board of Trustees. Assigned fund balance represent amounts constrained by the Library's intent to use them for a specific purpose. The Director has the authority to assign fund balance in the Library fund balance policy. Any residual fund balance in the General Fund is reported as unassigned.

The Library's flow of funds assumptions prescribe that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Library considers committed funds to be expended first, followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the net position is restricted as a result of enabling legislation adopted by the Library. Net investment in capital assets is the book value of capital assets less outstanding principal balances of debt that was issued to construct the capital assets.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

l. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount 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.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

The Library's investment policy authorizes the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

The Illinois Public Treasurers' Investment Pool, known as 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. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Library's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the Library.

b. Investments

In accordance with its investment policy, the Library limits its exposure to interest rate risk by diversifying its investment portfolio to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds. A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions. The Library's investment policy does not specifically limit the maximum maturity length of investments.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. However, the Library's investment policy does not specifically limit the Library to these types of investments. The Illinois Fund is rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library's agent separate from where the investment was purchased. The Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Library has a lack of diversification resulting in concentrated risk based on one type of investment. The Library's investment policy requires diversification but does not contain specific diversification targets or limits.

3. RECEIVABLES - TAXES

Property taxes for 2024 attach as an enforceable lien on January 1, 2024, on property values assessed as of the same date. Taxes are levied by December 31, 2024 (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2025, and are payable in two installments, on or about June 1, 2025 and September 1, 2025. The County collects such taxes and remits them periodically.

The 2024 levy was adopted in December 2024 and is recorded as a receivable at May 31, 2025 and offset by unavailable/deferred revenue since it is not due before the end of the Library's fiscal year and is intended to finance the subsequent fiscal year.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES - TAXES (Continued)

The 2025 tax levy, which attached as an enforceable lien on property as of January 1, 2025, has not been recorded as a receivable as of May 31, 2025, as the tax has not yet been levied by the Library and will not be levied until December 2025 and, therefore, the levy is not measurable at May 31, 2025.

4. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2025 was as follows:

| | Balances June 1 | Increases | Decreases | Balances May 31 |
|---|---------------------|---------------------|-------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 600,000 | \$ - | \$ - | \$ 600,000 |
| Total capital assets not being depreciated | 600,000 | - | - | 600,000 |
| Capital assets being depreciated | | | | |
| Buildings | 5,685,953 | - | - | 5,685,953 |
| Building improvements | 1,738,016 | 55,940 | - | 1,793,956 |
| Furniture and equipment | 658,095 | 16,260 | - | 674,355 |
| Total capital assets being depreciated | 8,082,064 | 72,200 | - | 8,154,264 |
| Less accumulated depreciation for | | | | |
| Buildings | 2,985,126 | 142,149 | - | 3,127,275 |
| Building improvements | 1,028,719 | 167,918 | - | 1,196,637 |
| Furniture and equipment | 441,502 | 55,496 | - | 496,998 |
| Total accumulated depreciation | 4,455,347 | 365,563 | - | 4,820,910 |
| Total capital assets being depreciated, net | 3,626,717 | (293,363) | - | 3,333,354 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 4,226,717 | \$ (293,363) | \$ - | \$ 3,933,354 |

Depreciation expense was charged to functions of the primary government as follows:

| | |
|--------------------------------|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| Culture and recreation | <u>\$ 365,563</u> |

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CHANGES IN LONG-TERM LIABILITIES

| Issue | Balances June 1 | Increases | Decreases | Balances May 31 | Current Portion |
|--------------------------------------|--------------------|------------------|------------------|--------------------|--------------------|
| Accrued compensated absences payable | \$ 43,376 | \$ 35,124 | \$ - | \$ 78,500 | \$ 15,700 |
| Net pension liability - IMRF | 570,868 | 27,652 | - | 598,520 | - |
| Total OPEB liability | 46,432 | - | 10,206 | 36,226 | 5,528 |
| TOTAL | \$ 660,676 | \$ 62,776 | \$ 10,206 | \$ 713,246 | \$ 21,228 |

The change in compensated absences is reported net of increases and decreases.

6. RISK MANAGEMENT

The Library has purchased insurance from private insurance companies. Risks covered included general liability, workers' compensation, medical and other. A deductible per occurrence is paid by the Library with general aggregate liability coverage of \$2,000,000. Premiums have been displayed as expenditures in the appropriate funds. Settlements have not exceeded coverage for the last three fiscal years.

The Library provides health, dental, vision and life insurance. Beginning in January 2015, the Library is a participant in the Library Insurance Management and Risk Control Combination's (LIMRiCC) Purchase of Health Insurance Program (PHIP). LIMRiCC and PHIP provide conventional insurance coverage and/or self-insurance for claims against or by its participants. LIMRiCC is a public entity risk pool with the transfer of risk. The Library is responsible for premium payments and the pool is responsible for administering the program. If funds are insufficient in the judgment of the pool, the pool may assess the members' additional equal payments. The Library's policy is to record any related expenditures in the year in which they are notified of any additional assessments. The Library is not aware of any additional assessments owed as of May 31, 2025. The Library's total expense for coverage was \$110,484 in the fiscal year ended May 31, 2025.

7. DEFINED BENEFIT PENSION PLAN

The employees of the Library are covered by the Village's defined benefit pension plan.

Illinois Municipal Retirement Fund

The Library, under the sponsorship of the Village, contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Library's participation in IMRF through the Village results in the Library participating in a cost-sharing multiple-employer plan. All disclosures for an agent plan can be found in the Village's annual comprehensive financial report.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration

All employees 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 provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village and the Library are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended May 31, 2025 was 9.58%, of covered payroll. For the year ended May 31, 2025, salaries totaling \$1,016,358 were paid that required employer contributions of \$97,407, which was equal to the Library's actual contributions.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

At May 31, 2025, the Library reported a liability of \$598,520 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and 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 actual contributions to the plan for the year ended May 31, 2025 relative to the contributions of the Village, actuarially determined. At May 31, 2025, the Library's proportion was 21.45%.

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

| | |
|----------------------------|-------------------|
| Actuarial valuation date | December 31, 2024 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.25% |
| Salary increases | 2.85% to 13.75% |
| Interest rate | 7.25% |
| Cost of living adjustments | 3.00% |
| Asset valuation method | Fair value |

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled 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.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2024 was 7.25%. 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 the Library's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended May 31, 2025, the Library recognized pension expense of \$174,429. At May 31, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| | <hr/> | <hr/> |
| Difference between expected and actual experience | \$ 135,213 | \$ 629 |
| Changes in assumption | - | 2,514 |
| Net difference between projected and actual earnings on pension plan investments | 67,636 | - |
| Library contributions subsequent to the measurement date | 41,523 | - |
| | <hr/> | <hr/> |
| TOTAL | \$ 244,372 | \$ 3,143 |
| | <hr/> | <hr/> |

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
(Continued)*

\$41,523 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending May 31, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| Fiscal Year Ending May 31, | |
|----------------------------------|--------------------------|
| 2026 | \$ 83,280 |
| 2027 | 131,145 |
| 2028 | (2,032) |
| 2029 | (12,687) |
| 2030 | - |
| Thereafter | - |
| TOTAL | <u>\$ 199,706</u> |

Discount Rate Sensitivity

The following is a sensitivity analysis of the Library's proportionate share of the net pension liability to changes in the discount rate. The table below presents the proportionate share of the net pension liability of the Library calculated using the discount rate of 7.25% as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Library's proportionate share of the net pension liability | \$ 1,124,156 | \$ 598,520 | \$ 185,873 |

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Library provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Library and can be amended by the Library through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Library’s governmental activities.

b. Benefits Provided

The Library provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the Library’s retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the Library’s insurance provider. The retiree pays a blended premium which creates an implicit subsidy.

c. Membership

At May 31, 2025, membership consisted of:

| | |
|--|------------------|
| Retirees and beneficiaries currently receiving benefits | - |
| Terminated employees entitled to benefits but not yet receiving them | - |
| Active plan members | <u>10</u> |
| TOTAL | <u><u>10</u></u> |
| Participating employers | <u><u>1</u></u> |

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at May 31, 2025, as determined by an actuarial valuation as of June 1, 2025 using the alternative measurement method, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

| | |
|-----------------------------|---|
| Actuarial valuation date | June 1, 2025 |
| Measurement date | May 31, 2025 |
| Actuarial cost method | Entry-age normal |
| Inflation | 2.50% |
| Discount rate | 5.25% |
| Healthcare cost trend rates | Ranging from 7.90% to 8.30% in Fiscal 2025, depending on Plan, to an Ultimate Trend Rate of 5.00% |
| Asset valuation method | N/A |
| Mortality rates | PubG-2010(B) improved generationally using MP-2021 Improvement Rates |

e. Discount Rate

The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at May 31, 2025.

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| BALANCES AT JUNE 1, 2024 | \$ 46,432 |
| Changes for the period | |
| Service cost | 8,408 |
| Interest | 1,803 |
| Differences between expected and actual experience | (9,258) |
| Changes in assumptions | (5,631) |
| Implicit benefit payments | (5,528) |
| Other changes | <u>-</u> |
| Net changes | <u>(10,206)</u> |
| BALANCES AT MAY 31, 2025 | <u>\$ 36,226</u> |

There were changes in assumptions related to the discount rate, inflation rate, retirement rates, termination rates, disability rates, mortality rates, and mortality improvement rates in 2025.

g. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 5.25% as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current rate:

| | 1% Decrease (4.25%) | Current Discount Rate (5.25%) | 1% Increase (6.25%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 38,504 | \$ 36,226 | \$ 34,106 |

MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 8.30% to 5.00% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7.30% to 4.00%) or 1 percentage point higher (9.30% to 6.00%) than the current rate:

| | 1% Decrease (7.30% to 4.00%) | Current Healthcare Rate (8.30% to 5.00%) | 1% Increase (9.30% to 6.00%) |
|----------------------|---------------------------------|--|---------------------------------|
| Total OPEB liability | \$ 32,802 | \$ 36,226 | \$ 40,359 |

h. OPEB Expense

For the year ended May 31, 2025, the Library recognized OPEB expense of (\$4,678).

REQUIRED SUPPLEMENTARY INFORMATION

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended May 31, 2025

| | Original and Final Budget | Actual |
|-----------------------------------|--------------------------------------|---------------------|
| REVENUES | | |
| Taxes | \$ 2,166,570 | \$ 2,138,023 |
| Intergovernmental | 46,934 | 34,638 |
| Charges for services | 6,100 | 8,319 |
| Fines and forfeits | 2,100 | 1,616 |
| Investment income | - | 152,922 |
| Miscellaneous | 254,100 | 7,237 |
| | 2,475,804 | 2,342,755 |
| Total revenues | | |
| EXPENDITURES | | |
| Culture and recreation | | |
| Library materials | 190,000 | 164,391 |
| Equipment | 503,500 | 398,971 |
| Administration | 370,000 | 299,923 |
| Personnel | 1,406,000 | 1,329,947 |
| | 2,469,500 | 2,193,232 |
| Total expenditures | | |
| NET CHANGE IN FUND BALANCE | \$ 6,304 | 149,523 |
| FUND BALANCE, JUNE 1 | | 2,415,417 |
| FUND BALANCE, MAY 31 | | \$ 2,564,940 |

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2025

BUDGETS

The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget.

The budget may be amended only by the governing body. The budget was not amended in the current fiscal year.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at fiscal year end.

Expenditures may not legally exceed budgeted appropriations at the fund level.

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Fiscal Years

| FISCAL YEAR ENDED MAY 31, | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Contractually determined contribution | \$ 65,449 | \$ 75,112 | \$ 81,852 | \$ 83,607 | \$ 86,431 | \$ 86,680 | \$ 95,172 | \$ 89,080 | \$ 89,368 | \$ 97,407 |
| Contributions in relation to the contractually determined contribution | 65,449 | 75,112 | 81,852 | 83,607 | 86,431 | 86,680 | 95,172 | 89,080 | 89,368 | 97,407 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 545,366 | \$ 590,258 | \$ 714,574 | \$ 770,147 | \$ 772,937 | \$ 722,220 | \$ 826,656 | \$ 886,493 | \$ 960,788 | \$ 1,016,358 |
| Contributions as a percentage of covered payroll | 12.00% | 12.73% | 11.45% | 10.86% | 11.18% | 12.00% | 11.51% | 10.05% | 9.30% | 9.58% |

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the remaining amortization period was 19 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

SCHEDULE OF EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Calendar Years

| MEASUREMENT DATE DECEMBER 31, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Employer's proportion of the net pension liability | 23.40% | 24.05% | 24.05% | 26.02% | 25.02% | 22.29% | 23.00% | 22.84% | 21.50% | 21.45% |
| Employer's proportionate share of the net pension liability (asset) | \$ 459,093 | \$ 433,226 | \$ 300,591 | \$ 727,681 | \$ 508,425 | \$ 286,910 | \$ (12,670) | \$ 707,915 | \$ 507,868 | \$ 598,520 |
| Employer's covered payroll | 545,366 | 590,258 | 737,041 | 748,637 | 764,302 | 729,048 | 709,750 | 858,974 | 895,161 | 1,110,027 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 84.18% | 73.40% | 40.78% | 97.20% | 66.52% | 39.35% | (1.79%) | 82.41% | 56.73% | 53.92% |
| Plan fiduciary net position as a percentage of the total pension liability | 79.45% | 81.91% | 88.34% | 76.68% | 83.61% | 90.61% | 100.38% | 79.56% | 83.63% | 85.18% |

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Seven Fiscal Years

| MEASUREMENT DATE MAY 31, | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| TOTAL OPEB LIABILITY | | | | | | | |
| Service cost | \$ 1,053 | \$ 1,116 | \$ 1,279 | \$ 1,586 | \$ 1,024 | \$ 8,267 | \$ 8,408 |
| Interest | 1,546 | 1,461 | 1,036 | 1,533 | 1,640 | 1,483 | 1,803 |
| Difference between expected and actual experience | - | - | 18,141 | - | (11,699) | - | (9,258) |
| Changes in assumptions | 1,040 | 5,868 | 2,531 | (19,236) | (355) | (981) | (5,631) |
| Benefit payments | (2,413) | (3,394) | (884) | (1,602) | (1,723) | (3,997) | (5,528) |
| Other changes | - | - | - | - | - | - | - |
| Net change in total OPEB liability | 1,226 | 5,051 | 22,103 | (17,719) | (11,113) | 4,772 | (10,206) |
| Total OPEB liability - beginning | 42,112 | 43,338 | 48,389 | 70,492 | 52,773 | 41,660 | 46,432 |
| TOTAL OPEB LIABILITY - ENDING | \$ 43,338 | \$ 48,389 | \$ 70,492 | \$ 52,773 | \$ 41,660 | \$ 46,432 | \$ 36,226 |
| Covered employee payroll | \$ 544,346 | \$ 570,706 | \$ 551,198 | \$ 564,978 | \$ 629,217 | \$ 661,272 | \$ 716,296 |
| Employer's total OPEB liability as a percentage of covered employee payroll | 7.96% | 8.48% | 12.79% | 9.34% | 6.62% | 7.02% | 5.06% |

In 2025 there were changes in assumptions related to the discount rate, inflation rate, retirement rates, termination rates, disability rates, mortality rates, and mortality improvement rates.

In 2024 there were changes in assumptions related to the discount rate.

In 2023 there were changes in assumptions related to the discount rate and healthcare cost trend rates.

In 2022 there were changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates.

In 2021, there were changes in assumptions related to the discount rate, inflation rate and healthcare cost trend rates.

In 2019 and 2020, there was a change in assumptions related to the discount rate.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended May 31, 2025

| | Original and Final Budget | Actual |
|-------------------------------------|--------------------------------------|---------------------|
| TAXES | | |
| Property taxes - current | \$ 2,126,570 | \$ 2,119,065 |
| Personal property replacement taxes | 40,000 | 18,958 |
| | 2,166,570 | 2,138,023 |
| INTERGOVERNMENTAL | | |
| Per capita grant | 46,934 | 27,118 |
| Other grants | - | 5,000 |
| Impact fees | - | 2,520 |
| | 46,934 | 34,638 |
| CHARGES FOR SERVICES | | |
| Copier, fax and computer rental | 6,000 | 8,319 |
| Nonresident fees | 100 | - |
| | 6,100 | 8,319 |
| FINES AND FORFEITS | | |
| Fines | 2,100 | 1,616 |
| | 2,100 | 1,616 |
| INVESTMENT INCOME | | |
| | - | 152,922 |
| MISCELLANEOUS | | |
| Gifts and donations | 2,000 | 5,862 |
| Special reserve | 250,000 | - |
| Miscellaneous | 2,100 | 1,375 |
| | 254,100 | 7,237 |
| TOTAL REVENUES | \$ 2,475,804 | \$ 2,342,755 |

(See independent auditor's report.)

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended May 31, 2025

| | Original and Final Budget | Actual |
|-------------------------------|--------------------------------------|---------------------|
| CULTURE AND RECREATION | | |
| Library materials | | |
| Books | \$ 160,000 | \$ 135,598 |
| Periodicals | 5,000 | 6,158 |
| Audiovisual | 25,000 | 22,635 |
| | | |
| Total library materials | 190,000 | 164,391 |
| | | |
| Equipment | | |
| Furniture and fixtures | 25,000 | 22,582 |
| Library supplies and postage | 31,500 | 23,231 |
| Janitorial supplies | 7,000 | 8,515 |
| Automation | 190,000 | 188,662 |
| Building project | 250,000 | 155,981 |
| | | |
| Total equipment | 503,500 | 398,971 |
| | | |
| Administration | | |
| Maintenance | 125,000 | 121,429 |
| Utilities | 35,000 | 16,346 |
| Telephone | 17,000 | 14,853 |
| Insurance | 31,000 | 28,224 |
| Staff development | 22,000 | 15,139 |
| Professional fees | 73,000 | 52,897 |
| Programming | 39,000 | 37,427 |
| Miscellaneous | 28,000 | 13,608 |
| | | |
| Total administration | 370,000 | 299,923 |
| | | |
| Personnel | | |
| Salaries | 1,075,000 | 1,042,912 |
| Benefits | 120,000 | 110,484 |
| IMRF | 125,000 | 97,407 |
| FICA | 86,000 | 79,144 |
| | | |
| Total personnel | 1,406,000 | 1,329,947 |
| | | |
| TOTAL EXPENDITURES | \$ 2,469,500 | \$ 2,193,232 |

(See independent auditor's report.)

SUPPLEMENTAL SECTION

**MESSENGER PUBLIC LIBRARY
NORTH AURORA, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS

Last Ten Levy Years

| Tax Levy Year | 2024 | | 2023 | | 2022 | | 2021 | | 2020 | |
|------------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|
| ASSESSED VALUATION | \$ | 801,357,639 | \$ | 705,859,131 | \$ | 653,997,524 | \$ | 609,148,495 | \$ | 589,911,090 |
| | Rate* | Amount | Rate* | Amount | Rate* | Amount | Rate* | Amount | Rate* | Amount |
| TAX EXTENSIONS | | | | | | | | | | |
| Corporate | 0.2614 | \$ 2,094,500 | 0.2836 | \$ 2,001,506 | 0.2916 | \$ 1,907,004 | 0.3011 | \$ 1,834,219 | 0.3027 | \$ 1,785,519 |
| Building maintenance | 0.0156 | 125,004 | 0.0163 | 115,401 | 0.0168 | 110,002 | 0.0178 | 108,477 | 0.0181 | 106,739 |
| Revenue recapture | 0.0015 | 12,085 | 0.0014 | 9,663 | 0.0011 | 7,469 | 0.0022 | 13,597 | - | - |
| TOTAL TAX EXTENSIONS | 0.2785 | \$ 2,231,589 | 0.3013 | \$ 2,126,570 | 0.3095 | \$ 2,024,475 | 0.3211 | \$ 1,956,293 | 0.3208 | \$ 1,892,258 |
| TOTAL TAX COLLECTIONS | | <u>\$ 119,696</u> | | <u>\$ 2,119,065</u> | | <u>\$ 2,018,305</u> | | <u>\$ 1,947,446</u> | | <u>\$ 1,861,001</u> |
| PERCENT COLLECTED | | <u>5.36%</u> | | <u>99.65%</u> | | <u>99.70%</u> | | <u>99.55%</u> | | <u>98.35%</u> |
| Tax Levy Year | 2019 | | 2018 | | 2017 | | 2016 | | 2015 | |
| ASSESSED VALUATION | \$ | 559,300,173 | \$ | 535,501,856 | \$ | 504,256,743 | \$ | 486,775,760 | \$ | 460,226,774 |
| | Rate* | Amount | Rate* | Amount | Rate* | Amount | Rate* | Amount | Rate* | Amount |
| TAX EXTENSIONS | | | | | | | | | | |
| Corporate | 0.3084 | \$ 1,725,083 | 0.3139 | \$ 1,681,149 | 0.3233 | \$ 1,630,222 | 0.3275 | \$ 1,594,332 | 0.3409 | \$ 1,569,079 |
| Building maintenance | 0.0188 | 105,395 | 0.0200 | 107,100 | 0.0200 | 100,851 | 0.0195 | 94,877 | 0.0199 | 91,603 |
| Revenue recapture | - | - | - | - | - | - | - | - | - | - |
| TOTAL TAX EXTENSIONS | 0.3272 | \$ 1,830,478 | 0.3339 | \$ 1,788,249 | 0.3433 | \$ 1,731,073 | 0.3470 | \$ 1,689,209 | 0.3608 | \$ 1,660,682 |
| TOTAL TAX COLLECTIONS | | <u>\$ 1,830,683</u> | | <u>\$ 1,786,052</u> | | <u>\$ 1,729,425</u> | | <u>\$ 1,662,533</u> | | <u>\$ 1,637,598</u> |
| PERCENT COLLECTED | | <u>100.01%</u> | | <u>99.88%</u> | | <u>99.90%</u> | | <u>98.42%</u> | | <u>98.61%</u> |

*Property tax rates are per \$100 of assessed valuation.

(See independent auditor's report.)