

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
JUNE 30, 2022

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MADISON COUNTY, ILLINOIS  
JUNE 30, 2022

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ALTON   EDWARDSVILLE   BELLEVILLE   HIGHLAND  
JERSEYVILLE   COLUMBIA   CARROLLTON

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Six Mile Regional Library District  
Madison County, Illinois

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Six Mile Regional Library District (the District), Madison County, Illinois, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregation remaining fund information of The Six Mile Regional Library District as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Six Mile Regional Library District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the IMRF pension information, presented in Schedules A through E, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.



Alton, Illinois

January 26, 2023

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	
ASSETS:	
Cash	\$ 1,385,915
Property Taxes Receivable	2,183,045
Prepaid Expenses	12,993
Restricted Assets - Cash	9,412
Permanent Fund Investment	781,291
Net Pension Asset - IMRF	667,246
Capital Assets - Nondepreciable	141,000
Capital Assets - Depreciable, Net of Accumulated Depreciation	3,548,356
Total Assets	<u>8,729,258</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Related to Defined Benefit Plan - IMRF	349,205
Total Deferred Outflows of Resources	<u>349,205</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 9,078,463</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES:	
Accounts Payable	\$ 36,171
Accrued Payroll	37,647
Current Portion of Long-Term Debt	82,194
Noncurrent Liabilities	
Accumulated Compensated Absences	76,741
Bonds Payable, Net of Current Portion	960,566
Total Liabilities	<u>1,193,319</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Property Taxes	2,198,115
Related to Defined Benefit Plan - IMRF	1,129,575
Total Deferred Inflows of Resources	<u>3,327,690</u>
NET POSITION:	
Net Investment in Capital Assets	2,646,596
Restricted - Expendable	
Retirement	216,622
Audit	9,741
Building and Equipment	457,639
Liability Insurance	258,007
Restricted - Nonexpendable	
Prepaid Expenses	12,993
Permanent Endowment	781,291
Unrestricted	174,565
TOTAL NET POSITION	<u>4,557,454</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 9,078,463</u>

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

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants	
PRIMARY GOVERNMENT:					
Governmental Activities					
Cultural and Recreation	\$ 2,156,251	\$ 15,547	\$ 64,542	\$ 25,232	\$ (2,050,930)
Interest	32,014				(32,014)
Total Governmental Activities	2,188,265	15,547	64,542	25,232	(2,082,944)
TOTAL PRIMARY GOVERNMENT	\$ 2,188,265	\$ 15,547	\$ 64,542	\$ 25,232	(2,082,944)
General Revenues:					
Property Taxes					2,111,247
Payment in Lieu of Taxes					21,915
Interest Income					24,230
Memorials/Donations Not Restricted to Specific Programs					12,503
Other Library Revenues					4,478
Unrealized Gains(Losses)					(165,452)
Gain(Loss) on Sale of Fixed Assets					(20,755)
Realized Gain(Loss)					58,880
Miscellaneous					5,266
Total General Revenues, Contributions, and Loss					2,052,312
Change in Net Position					(30,632)
NET POSITION - BEGINNING					4,588,086
NET POSITION - ENDING					\$ 4,557,454

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



SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General Fund	Special Revenue Fund Retirement Fund	Permanent Fund Helen R. Kuenstler Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash	\$ 1,385,915			\$ 1,385,915
Restricted Cash	9,412			9,412
Permanent Fund Investment			\$ 781,291	781,291
Property Taxes Receivable	1,938,084	\$ 244,961		2,183,045
Prepaid Expenses	12,993			12,993
Due From Other Funds		235,514		235,514
Total Assets	<u>3,346,404</u>	<u>480,475</u>	<u>781,291</u>	<u>4,608,170</u>
<b>LIABILITIES:</b>				
Accounts Payable	36,171			36,171
Accrued Payroll	37,647			37,647
Due to Other Funds	235,514			235,514
Total Liabilities	<u>309,332</u>			<u>309,332</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable Revenue				
Property Taxes	<u>1,951,463</u>	<u>246,652</u>		<u>2,198,115</u>
<b>FUND BALANCE:</b>				
Nonspendable	12,993		781,291	794,284
Restricted	734,799	216,622		951,421
Unassigned	355,018			355,018
Total Fund Balance	<u>1,102,810</u>	<u>216,622</u>	<u>781,291</u>	<u>2,100,723</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 3,363,605</u>	<u>\$ 463,274</u>	<u>\$ 781,291</u>	<u>\$ 4,608,170</u>

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

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

TOTAL FUND BALANCE OF GOVERNMENTAL FUNDS (EXHIBIT "C")	\$ 2,100,723
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$6,528,625, net of accumulated depreciation of \$2,980,269 used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	3,689,356
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds (see Note 5).	(1,119,500)
Some liabilities, including net pension liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension Asset - IMRF	667,246
Deferred outflows and inflows of resources related to defined benefit pension are applicable to future periods and, therefore, are not reported in the funds.	<u>(780,370)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT "A")	<u>\$ 4,557,454</u>

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

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund Retirement Fund	Permanent Fund Helen R. Kuenstler Fund	Total Governmental Funds
REVENUES:				
Taxes				
Property	\$ 1,866,712	\$ 244,535		\$ 2,111,247
Intergovernmental Receipts				
State/Local Grant Income	89,774			89,774
Payment in Lieu of Taxes	21,915			21,915
Library Fees	2,594			2,594
Photocopies	11,983			11,983
Interest Income	1,390		\$ 22,840	24,230
Miscellaneous	5,265			5,265
Other Library Revenues	5,448			5,448
Unrealized Gain/(Loss)			(165,452)	(165,452)
Realized Gain/(Loss)			58,880	58,880
Memorials/Donations	12,503			12,503
Total Revenues	<u>2,017,584</u>	<u>244,535</u>	<u>(83,732)</u>	<u>2,178,387</u>
EXPENDITURES:				
Current				
Cultural and Recreation	1,628,752	188,152		1,816,904
Debt Service	111,855			111,855
Investment Fee's			1,439	1,439
Capital Outlay	119,409			119,409
Total Expenditures	<u>1,860,016</u>	<u>188,152</u>	<u>1,439</u>	<u>2,049,607</u>
OTHER FINANCING SOURCES (USES):				
Transfer In/(Out)	(85,171)		85,171	
Net Change in Fund Balance	72,397	56,383	0	128,780
Fund Balance, Beginning of Year	<u>1,030,413</u>	<u>160,239</u>	<u>781,291</u>	<u>1,971,943</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,102,810</u>	<u>\$ 216,622</u>	<u>\$ 781,291</u>	<u>\$ 2,100,723</u>

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

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

NET CHANGE IN FUND BALANCE -	
TOTAL GOVERNMENTAL FUNDS (EXHIBIT "E")	\$ 128,780
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities. This is the amount of capital outlays in the current period.	119,409
Governmental funds report district defined benefit pension contributions as expenditures. However, in the statement of activities, the cost of defined benefit pension benefits earned net of employee contributions is reported as pension expense.	26,476
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Depreciation expense	(357,421)
The repayment of long-term debt is reported as an expenditure when due in the governmental funds but as a reduction of principal outstanding in the statement of activities.	79,840
The gain(loss) on sale of assets	(20,755)
The changes in compensated absences provide or use current financial resources in the governmental funds but the change increases or decreases long-term liabilities in the statement of net position.	(6,961)
CHANGE IN NET POSITION OF	
GOVERNMENTAL ACTIVITIES (EXHIBIT "B")	<u>\$ (30,632)</u>

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

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Six Mile Regional Library District (District) are prepared in accordance with U. S. Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District is a municipal corporation governed by an elected eight-member District Board of Trustees. As required by generally accepted accounting principles, these financial statements present the District (the primary government).

The District has developed criteria to determine whether outside agencies with activities that benefit the District should be included within its financial reporting entity. The criteria for including organizations within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity" and updated in GASB Statement No. 61, is financial accountability. Financial accountability is defined as either 1) appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government or 2) the component unit is fiscally dependent on the primary government and there are potential financial benefits or burdens on the primary government. Based on these criteria, there are no component units in the reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information for the District as a whole excluding fiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers. The District has no business-type activities.

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:

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Government-Wide and Fund Financial Statements (cont'd)

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) operating 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Retirement Fund is a special revenue fund used to account for the financial transactions involving retirement obligations of the District.

The Helen R. Kuentler Fund is a permanent fund used to account for the permanent endowment and related investment income of the fund.

The District has no business-type activities.

C. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into three categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Fund Accounting (cont'd)

revenue funds), the acquisition or construction of general fixed assets (capital projects funds), the servicing of general long-term debt (debt service funds) and the holding of resources that cannot be expended (permanent funds). The General Fund, the main operating fund of the District, is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The District has no proprietary funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The District has no fiduciary funds.

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 and additions are recorded when earned and expenses and deductions are reported 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 revenues 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 District considered 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.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (cont'd)

fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unavailable revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the District 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 District has a legal claim to the resources, the liability for unavailable revenue is removed from the combined balance sheet and revenue is recognized.

E. Cash and Investments

Cash

The District’s cash includes cash on hand, demand deposits, certificates of deposit with an original maturity of three months or less from the date of acquisition, and deposits in public treasurer’s investment pools which are recorded at original cost plus accrued interest, which approximates fair value.

Investments

Debt securities classified as held-to-maturity are recorded at cost and adjusted by amortization of discount or premium. Time deposits and other deposits with financial institutions which are recorded at original cost plus accrued interest, which approximates fair value. As of June 30, 2022, the District held \$781,291 in investments. This has been presented as a restricted investment on the Statement of Net Position and Balance Sheet of Governmental Activities. The District has generated \$9,412 of income from the investments, which is presented as restricted cash on the Statement of Net Position and Balance Sheet of the Governmental Funds. The district did not hold any other items classified as investments.

Fair Value Hierarchy

Fair value is defined as 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. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.



SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Cash and Investments (cont'd)

Fair Value Hierarchy (cont'd)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of a fiscal year are referred to as due to and from other funds.

Property taxes are levied each year by the last Tuesday of December on all real property located in the District. The District levied its property taxes on November 9, 2021 based upon the assessed valuation as of the previous January 1. Property taxes attach as an enforceable lien on property as of January 1. The Madison County Assessor is responsible for the taxes assessed.

The values are adjusted by various percentages depending upon the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the State. The County Clerk computes the annual tax rate by dividing the levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the County Collector.

Property taxes are collected by the County Collector who remits to the taxing units their respective shares of the collection. Taxes levied in one year become due and payable in installments during the following year. The installments are generally due between June and December, and are considered delinquent after the due dates. The District receives a substantial portion of these taxes from July through December. Property taxes attach as an enforceable lien on property as of January 1.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Receivables and Payables (cont'd)

For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Property taxes for 2021 are recorded as a receivable. Property tax revenue in these financial statements is from the 2020 levy.

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.

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 activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation. The District has set a capitalization threshold of \$5,000 for fixed assets.

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

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

Machinery and Equipment	5-15 Years
Buildings	50-100 Years
Building Improvements	10-20 Years
Furniture, Fixtures and Equipment	5-10 Years
Collections	10 Years

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Accumulated Compensated Absences

In the fund financial statements, vested or accumulated vacation and/or sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and/or sick pay in the government-wide financial statements is recorded as an expense and a liability of those funds as the benefits accrue to employees.

In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

J. Long-Term Obligations

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities' financial statements. Bond premiums and discounts are amortized over the life of the bonds. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses.

K. Net Position/Fund Balances

Net Position – Governmental Activities

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Net Position/Fund Balances (cont'd)

Fund Balances - Governmental Funds

As of June 30, 2022, the fund balances of the governmental funds are classified as follows:

Nonspendable - consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The District had a nonspendable fund balance of \$12,993 in the general fund consisting of prepaid expenses. The District also had a nonspendable fund balance of \$781,291 in the permanent fund consisting of a permanent endowment. The District's total nonspendable fund balance was \$794,284 as of June 30, 2022.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District had a restricted fund balance of \$734,799 in the general fund consisting of \$457,639 for building and equipment, \$258,007 for liability insurance, \$9,412 for reading materials, and \$9,741 for audit.

The District also had a restricted fund balance of \$216,622 in the retirement fund. The District's total restricted fund balance was \$951,421 as of June 30, 2022.

Committed - consists of fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action by the District's Board of Trustees, the District's highest level of decision-making authority. The District has no committed fund balance as of June 30, 2022.

Assigned - consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the District's Board of Trustees. The District has no assigned fund balance as of June 30, 2022.

Unassigned - fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the fund.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Net Position/Fund Balances (cont'd)

The District's unassigned fund balance was \$355,018, within the General Fund as of June 30, 2022.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then committed, assigned and unassigned, in order as needed.

L. Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

M. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and the balance sheet 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and the balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2. CASH AND INVESTMENTS

The District is authorized by state statute to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the United States of America, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. The District does not enter into any reverse repurchase agreements.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2. CASH AND INVESTMENTS (cont'd)

Investments made by the District, in addition to certificates of deposit, which are collateralized below, consist of participation in the "Illinois Fund," a local government public treasurers' investment pool. This is an investment that is not subject to risk categorization. Investments are stated at fair value. The Illinois Fund is considered to be a 2a7-like-pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool is not registered with the SEC as an investment company.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository financial institution failure, the District's deposits may not be returned to it. The District's policy is that all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized and the preferred method for safekeeping is to have the securities registered in the District's name and held by a third-party custodian.

At year-end, the carrying amount of the District's cash totaled \$1,395,327 including restricted cash of \$9,412, petty cash of \$1,100, and bank balances totaled \$1,352,818. Of the bank balances, \$449,801 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$626,581 was covered by pledged collateral, which was held in the District's name, and, therefore, there were no amounts that were uninsured or uncollateralized at June 30, 2022.

Custodial Credit Risk – Illinois Funds

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in possession of an outside party. It is the District's policy to minimize this risk by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District does business.

At June 30, 2022 the District had the following:

Reconciliation to the financial statements:

Primary Government

	<u>Deposits</u>	<u>Restricted Cash</u>	<u>Illinois Funds</u>	<u>Total</u>
Exhibit "A"				
Cash	<u>\$ 858,478</u>	<u>\$ 9,412</u>	<u>\$ 527,437</u>	<u>\$ 1,395,327</u>

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2. CASH AND INVESTMENTS (cont'd)

Interest Rate Risk

The District's investment policy seeks to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operation, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities.

Credit Risk

State law limits investments in commercial paper, corporate bonds and money market mutual funds to the top two ratings, issued by nationally recognized statistical rating organizations. The District's investment policy does not place further limits on its investment choices. As of June 30, 2022 the District's investments in the external investment pool was rated AAA by Standard & Poor's.

Concentration of Credit Risk

More than 5% of the District's deposits are in the external investment pool.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2022:

- a. Fixed Income – Bonds of \$781,567 are valued at the closing price as of June 30, 2022. (Level 2).

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 3. INTERFUND RECEIVABLES/PAYABLES

Interfund receivable and payable balances at June 30, 2022 are as follows:

Interfund balances are the result of temporary loans and/or reimbursements for services provided.

<u>Due From</u>	<u>Due To</u>
Primary Government	
	<u>Governmental Activities</u>
	<u>Major Governmental Funds</u>
	<u>Retirement</u>
Governmental Activities	
Major Governmental Funds	
General	\$ 235,514

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	\$ 141,000			\$ 141,000
Capital Assets Being Depreciated				
Buildings and Improvements	5,101,456			5,101,456
Furniture, Fixtures and Equipment	428,284	\$ 8,995		437,279
Collections	973,212	110,413	\$ (93,735)	989,890
Total Capital Assets Being Depreciated	6,502,952	119,408	(93,735)	6,528,625
Less Accumulated Depreciation for				
Buildings and Improvements	1,849,391	233,842		2,083,233
Furniture, Fixtures and Equipment	269,396	42,802		312,198
Collections	577,041	80,777	(72,980)	584,838
Total Accumulated Depreciation	2,695,828	357,421	(72,980)	2,980,269
Total Capital Assets Being Depreciated, Net	3,807,124	(238,013)	(20,755)	3,548,356
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$3,948,124	\$ (238,013)	\$ (20,755)	\$3,689,356



SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 4. CAPITAL ASSETS (cont'd)

Depreciation expense is charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 357,421</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 357,421</u>

NOTE 5. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

<u>Description and Purpose</u>	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
Primary Government					
<u>Governmental Activities</u>					
General Fund					
Accumulated Compensated					
Absences	\$ 69,780	\$ 6,961		\$ 76,741	
Direct Borrowings					
G.O. Bonds Series 2013	1,122,601		\$ 79,841	1,042,760	\$82,194
Total Government Activities	<u>\$1,192,381</u>	<u>\$ 6,961</u>	<u>\$ 79,841</u>	<u>\$1,119,501</u>	<u>\$82,194</u>

Accumulated Compensated Absences

All employees of the District can accumulate vacation and sick days. This amount represents the liability for the District for accumulated vacation and sick days as of June 30, 2022.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 5. LONG-TERM DEBT (cont'd)

Direct Borrowings - G.O. Bonds Series 2013

During fiscal year 2013, the District issued \$1,680,000 of general obligation bonds, series 2013 to help pay for renovations to the District's main library facility. The bonds bear interest at 2.95% and are payable in monthly installments of \$9,321 through May 2033. The debt service for the bonds is as follows:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 82,194	\$ 29,661	\$ 111,855
2024	84,611	27,244	111,855
2025	87,220	24,635	111,855
2026	89,790	22,066	111,856
2027-2031	490,860	68,416	559,276
2032-2035	208,085	6,221	214,306
	<u>\$ 1,042,760</u>	<u>\$ 178,243</u>	<u>\$ 1,221,003</u>

NOTE 6. LEASES

The District leases three copiers. Two copiers are leased for 60 months for \$300 per month through July 2025, and a third copier is leased for 60 months for \$135 per month through May 2022. The rental expense for the year ended June 30, 2022 is \$5,220.

The future minimum lease payments for the above leases are as follows:

Fiscal Year Ending	Copiers
6/30/2023	3,600
6/30/2024	3,600
6/30/2025	3,600
	<u>\$ 10,800</u>

NOTE 7. DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. DEFINED BENEFIT PENSION PLAN (cont'd)

Plan Description (cont'd)

beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

Benefits Provided

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

All three IMRF benefit plans have 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 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 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.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONT'D)

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	27
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	22
Active Plan Members	<u>30</u>
Total	<u>79</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual required contribution rate for calendar year 2022 was 9.06%. For the fiscal year ended June 30, 2022, the District contributed \$104,129 to the plan. The District 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.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONT'D)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

Actuarial Cost Method	Entry Age Normal
Assets Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**Other Information:  
Notes**

There were no benefit changes during the year.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONT'D)

Actuarial Assumptions (cont'd)

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2021 Illinois Municipal Retirement Fund annual actuarial valuation report.

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, 2021:

Asset Class	Target Allocation	Return 12/31/2021	<u>Projected Returns/Risk</u>	
			One Year Arithmetic	Ten Year Geometric
Equities	39.00%	24.89%	3.25%	1.90%
International Equitie	15.00%	9.78%	4.89%	3.15%
Fixed Income	25.00%	-0.44%	-0.50%	-0.60%
Real Estate	10.00%	21.95%	4.20%	3.30%
Alternatives	10.00%			
Private Equity		N/A	8.85%	5.50%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	2.90%	1.70%
Cash Equivalents	<u>1.00%</u>	2.44%	-0.90%	-0.90%
Total	100.00%			

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. 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. The Single Discount Rate reflects:

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONT'D)

Single Discount Rate (cont'd)

1. The long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2020	\$5,505,139	\$ 5,531,108	\$ (25,969)
Changes for the year:			
Service Cost	109,763		109,763
Interest	391,982		391,982
Difference between expected and actual experience	(310,235)		(310,235)
Contributions-employees		49,230	(49,230)
Contributions- employer		106,447	(106,447)
Net investment income		947,047	(947,047)
Assumption Changes			
Benefit payments including refunds of employee contributions	(306,742)	(306,742)	
Other (Net Transfer)		(269,937)	269,937
Net Changes	(115,232)	526,045	(641,277)
Balance, December 31, 2021	\$5,389,907	\$ 6,057,153	\$ (667,246)

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONT'D)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.25%	\$ (31,997)
Current discount rate	7.25%	(667,246)
1% increase	8.25%	(1,181,311)

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

For the year ended June 30, 2022, the District recognized pension income of \$ 83,820. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 150,839	\$ 232,412
Changes of assumptions	28,923	35,209
Net difference between projected and actual earnings	118,229	861,954
Contributions after Measurement Date	51,214	
	<u>\$ 349,205</u>	<u>\$ 1,129,575</u>

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

<u>Year ending December 31,</u>	
2022	\$ (104,249)
2023	(317,501)
2024	(246,361)
2025	(112,259)
2026	0
Thereafter	0
Total	<u>\$ (780,370)</u>

NOTE 8. OTHER NOTE DISCLOSURES



SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

A. Social Security

Employees not qualifying under the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$73,887, the total required contribution for the current fiscal year.

B. Risk Management - Claims and Judgments

Description

Losses are covered by commercial insurance for the District's workers' compensation, property, and general liability, and treasurer's bond insurance coverage. There have been no significant reductions in coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

C. Deficit Fund Balances of Individual Funds

At June 30, 2022, the District had no funds with a deficit fund balance.

D. Tort Expenditures

The District levies for liability insurance, a restricted levy, as follows:

Liability Insurance - Restricted Fund Balance - June 30, 2021	\$ 229,663
2020 Levy Collected in 2021	380,342
Risk Management Expenses	(351,998)
Liability Insurance - Restricted Fund Balance - June 30, 2022	<u>\$ 258,007</u>

E. Legal Debt Margin

The computation of legal debt margin at June 30, 2022 is as follows:

ASSESSED VALUATION - 2021 Tax Year	<u>\$ 494,291,712</u>
Debt Limit - 8.625% of Assessed Value	42,632,660
Total Debt	<u>1,042,760</u>
LEGAL DEBT MARGIN	<u>\$ 41,589,900</u>

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. OTHER NOTE DISCLOSURES (CONT'D)

F. Contingencies

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The District believes any adjustments that may arise from these audits will be insignificant to District operations.

G. Other Post Employment Benefits

The GASB has issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*." The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The District currently offers two post-employment benefits to retirees. Those benefits are 1) continuation of participation in the System's health insurance plan as required by law for a period of 18 months (COBRA coverage) and 2) retiree continuation of health insurance coverage on the District's plan beyond the COBRA period. In relation to both of these benefits, the retiree pays 100% of their own premium cost. As of June 30, 2022, no retirees were covered under COBRA coverage and no retirees were currently participating in the health insurance coverage. Due to the limited number of participants in the plan, and the insignificance of the cost incurred by the District, no Other Post Employment Benefit's liability has been recorded as of June 30, 2022.

H. Permanent Endowment

The District received the remainder of the permanent endowment from the Helen R. Kuentler Revocable Trust. The trust provided a gift of \$799,037 to the District in fiscal year 2021. Income and net appreciation from the gift will be used for the purchase of books or any form of reading materials that are substitutes for books, including, but not limited to, electronic books. As of June 30, 2022, \$9,412 has been generated from the endowment.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. OTHER NOTE DISCLOSURES (CONT'D)

I. New Accounting Pronouncements

Effective July 1, 2021, the District adopted the provisions of GASB Statement No. 87, *Leases*. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 established a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements) and leases with related parties. No material leases were noted for fiscal year ended June 30, 2022.

J. Subsequent Events

Management has evaluated subsequent events through the January 26, 2023, the date on which the financial statements were available to be issued. As of January 26, 2023, there were no subsequent events that required disclosure.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2022

	General Fund			Retirement Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
EXPENDITURES (CONT'D):						
Utilities	\$ 28,440	\$ 28,440	\$ 29,360			
Vehicle Operation	1,800	1,800	1,041			
Vehicle Repair	1,000	1,000	4904			
Miscellaneous	24,100	24,100	3,399			
Contingencies	3,000	3,000	600			
Automation	26,430	26,430	27,183			
Waste Removal	4,860	4,860	4,528			
Adult Books	36,000	36,000	31,826			
Juvenile Books	22,000	22,000	11,432			
Periodicals	6,000	6,000	4,262			
Audio Visual	7,257	7,257	5,077			
Microforms	300	300	0			
Technology	25,650	25,650	20,912			
Databases	41,808	41,808	32,070			
Electronic Materials	39,000	39,000	34,361			
Other Library Expenditures	6,706	6,706	1,125			
Library Material Fines	1,000	1,000	736			
Materials Expenses			70,736			
Capital Expenditures		0				
Capital Outlay	39,650	39,650				
Building Fund Reserve	17,992	17,992				
Debt Service	111,856	111,856	111,855			
Total Expenditures	2,168,053	2,168,053	1,860,016	247,151	247,151	188,152
Transfer In/(Out)			(85,171)			
Net Change in Fund Balance	\$ (95,388)	\$ (95,388)	72,397	\$ (16,469)	\$ (16,469)	56,382
Fund Balance, Beginning of Year			1,030,413			160,236
FUND BALANCE, END OF YEAR			\$ 1,102,810			\$ 216,622

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2022

	General Fund			Retirement Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
Property Taxes	\$ 1,971,745	\$ 1,971,745	\$ 1,866,712	\$ 230,682	\$ 230,682	\$ 244,535
Payments in Lieu of Taxes			21,915			
Grant Income	58,553	58,553	89,774			
Library Fees	2,400	2,400	2,594			
Photocopies	10,300	10,300	11,983			
Interest Income	1,000	1,000	1,390			
Miscellaneous Income	7,667	7,667	5,265			
Memorials/Donations	1,000	1,000	12,503			
Other Library Revenues	20,000	20,000	5,448			
Total Revenues	2,072,665	2,072,665	2,017,584	230,682	230,682	244,535
EXPENDITURES:						
Salaries	\$ 1,240,209	\$ 1,240,209	\$ 1,108,273			
Contract Labor			3,056			
Retirement				\$ 247,151	\$ 247,151	\$ 188,152
Group Insurance	191,425	191,425	184,914			
Unemployment Taxes	7,984	7,984	6,935			
Workers' Compensation	5,500	5,500	3,498			
Insurance	29,618	29,618	19,702			
Legal and Accounting	50,600	50,600	8,218			
Auditing	7,429	7,429	6,665			
Building Repair	34,900	34,900	4,502			
Custodial and Grounds Supply	3,075	3,075	6,987			
Dues	9,317	9,317	6,060			
Library Supplies	12,605	12,605	6,805			
Postage	1,715	1,715	2,240			
Printing	9,275	9,275	8,175			
Photocopy Supplies			9,293			
Continuing Education/Travel	29,109	29,109	14,337			
Programming	14,500	14,500	9,070			
Rental/Service Agreements	61,363	61,363	46,869			
Telephone	14,580	14,580	9,010			

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022

NOTE 1. LEGAL COMPLIANCE AND ACCOUNTABILITY

The District followed these procedures in establishing the budgetary data reported in the financial statements for the year ended June 30, 2022:

1. The Library Director submits a tentative budget to the Library Board of Trustees for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund and all special revenue funds.
2. A public hearing is conducted to obtain taxpayers comments.
3. Prior to October 31, the appropriation is legally enacted through passage of an ordinance.
4. Operating budgets are used as a management control device during the year.
5. Amendments to the appropriation ordinance that affect transfers of amounts between expense categories must be approved by the Library Board of Trustees.
6. Supplements to the appropriation ordinance which alter the total expenditures of a fund must also be approved by the Library Board of Trustees. Unexpended appropriations lapse at year-end.

There were no funds had actual expenditures in excess of budgeted expenditures for the fiscal year ended June 30, 2022.

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION  
LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
JUNE 30, 2022

Calendar Year Ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service Cost	\$ 109,763	\$ 118,697	\$ 111,156	\$ 108,971	\$ 102,273	\$ 114,532	\$ 109,501	\$ 116,669
Interest on the Total Pension Liability	391,982	367,082	351,110	331,745	321,784	308,412	291,695	260,861
Benefit Changes								
Difference Between Expected and Actual Experience	(310,235)	225,446	29,113	91,666	92,412	(3,205)	39,992	56,578
Assumption Changes		(64,721)		134,351	(151,194)	(9,850)	4,821	182,816
Benefit Payments and Refunds	(306,742)	(290,426)	(259,284)	(237,095)	(234,525)	(238,394)	(201,281)	(192,773)
<b>Net Change in Total Pension Liability</b>	<b>(115,232)</b>	<b>356,078</b>	<b>232,095</b>	<b>429,638</b>	<b>130,750</b>	<b>171,495</b>	<b>244,728</b>	<b>424,151</b>
<b>Total Pension Liability - Beginning</b>	<b>5,503,139</b>	<b>5,149,061</b>	<b>4,916,966</b>	<b>4,487,328</b>	<b>4,356,578</b>	<b>4,185,083</b>	<b>3,940,355</b>	<b>3,516,204</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 5,389,907</b>	<b>\$ 5,505,139</b>	<b>\$ 5,149,061</b>	<b>\$ 4,916,966</b>	<b>\$ 4,487,328</b>	<b>\$ 4,356,578</b>	<b>\$ 4,185,083</b>	<b>\$ 3,940,355</b>
<b>Plan Fiduciary Net Position</b>								
Employer Contributions	\$ 106,447	\$ 123,068	\$ 93,617	\$ 112,759	\$ 110,051	\$ 113,412	\$ 105,805	\$ 117,143
Employee Contributions	49,230	53,560	50,695	51,268	47,618	46,950	45,087	44,431
Pension Plan Net Investment Income	947,047	702,576	806,608	(259,581)	709,736	245,526	18,195	210,269
Benefit Payments and Refunds	(306,742)	(290,426)	(259,284)	(237,095)	(234,525)	(238,394)	(201,281)	(192,773)
Other	(269,937)	48,127	27,496	100,663	(99,496)	48,010	26,118	22,542
<b>Net Change in Plan Fiduciary Net Position</b>	<b>526,045</b>	<b>636,905</b>	<b>719,132</b>	<b>(231,986)</b>	<b>533,384</b>	<b>215,504</b>	<b>(6,076)</b>	<b>201,612</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>5,531,108</b>	<b>4,894,203</b>	<b>4,175,071</b>	<b>4,407,057</b>	<b>3,873,673</b>	<b>3,658,169</b>	<b>3,664,245</b>	<b>3,462,633</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 6,057,153</b>	<b>\$ 5,531,108</b>	<b>\$ 4,894,203</b>	<b>\$ 4,175,071</b>	<b>\$ 4,407,057</b>	<b>\$ 3,873,673</b>	<b>\$ 3,658,169</b>	<b>\$ 3,664,245</b>
<b>Net Pension Liability/(Asset) - Ending (a)-(b)</b>	<b>\$ (667,246)</b>	<b>\$ (25,969)</b>	<b>\$ 254,858</b>	<b>\$ 741,895</b>	<b>\$ 80,271</b>	<b>\$ 482,905</b>	<b>\$ 526,914</b>	<b>\$ 276,110</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.38%	100.47%	95.05%	84.91%	98.21%	88.92%	87.41%	92.99%
Covered Valuation Payroll	\$ 1,094,003	\$ 1,190,225	\$ 1,126,547	\$ 1,112,027	\$ 1,058,184	\$ 1,043,339	\$ 1,001,936	\$ 971,319
Net Pension Liability as a Percentage of Covered Valuation Payroll	-60.99%	-2.18%	22.62%	66.72%	7.59%	46.28%	52.59%	28.43%

SCHEDULE "D"

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST 10 CALENDAR YEARS  
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)  
JUNE 30, 2022

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of Covered</u> <u>Valuation Payroll</u>
2021	\$ 106,446	\$ 106,447	\$ (1)	\$ 1,094,003	9.73%
2020	123,069	123,068	1	1,190,225	10.34%
2019	93,616	93,617	(1)	1,126,547	8.31%
2018	112,760	112,759	1	1,112,027	10.14%
2017	110,051	110,051	0	1,058,184	10.40%
2016	113,411	113,412	(1)	1,043,339	10.87%
2015	105,804	105,805	(1)	1,001,936	10.56%
2014	106,942	117,143	(10,201)	971,319	12.06%



SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2021 CONTRIBUTION RATE\*  
JUNE 30, 2022

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2021 Contribution Rates:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 22-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was financed over 28 years.)
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base

SIX MILE REGIONAL LIBRARY DISTRICT  
MADISON COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2021 CONTRIBUTION RATE\*  
JUNE 30, 2022

Mortality (cont'd)

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

**Other Information:**

Notes

There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation.