

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
JUNE 30, 2021

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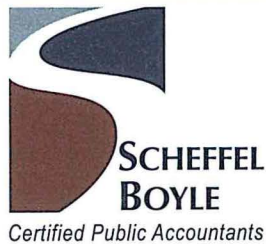
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Six Mile Regional Library District (the District), Madison County, Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of The Six Mile Regional Library District as of June 30, 2021, 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.

Other Matters

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, 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

December 15, 2021

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	
ASSETS:	
Cash	\$ 1,275,695
Property Taxes Receivable	2,005,255
Prepaid Expenses	12,993
Restricted Assets - Cash	94,583
Permanent Fund Investment	781,291
Net Pension Asset - IMRF	25,969
Capital Assets - Nondepreciable	141,000
Capital Assets - Depreciable, Net of Accumulated Depreciation	3,807,124
Total Assets	<u>8,143,910</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Related to Defined Benefit Plan - IMRF	485,471
Total Deferred Outflows of Resources	<u>485,471</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 8,629,381</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES:	
Accounts Payable	\$ 40,735
Accrued Payroll	33,802
Current Portion of Long-Term Debt	79,807
Noncurrent Liabilities	
Accumulated Compensated Absences	69,780
Bonds Payable, Net of Current Portion	1,042,794
Total Liabilities	<u>1,266,918</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Property Taxes	2,123,338
Related to Defined Benefit Plan - IMRF	651,040
Total Deferred Inflows of Resources	<u>2,774,378</u>
NET POSITION:	
Net Investment in Capital Assets	2,825,523
Restricted - Expendable	
Retirement	160,239
Audit	9,405
Building and Equipment	480,660
Liability Insurance	229,663
Restricted - Nonexpendable	
Prepaid Expenses	12,993
Permanent Endowment	781,291
Unrestricted	88,312
TOTAL NET POSITION	<u>4,588,086</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 8,629,381</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, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government
PRIMARY GOVERNMENT:					
Governmental Activities					
Cultural and Recreation	\$ 2,009,607	\$ 12,682	\$ 54,696	\$ 19,119	\$ (1,923,110)
Interest	34,176				(34,176)
Total Governmental Activities	2,043,783	12,682	54,696	19,119	(1,957,286)
TOTAL PRIMARY GOVERNMENT	\$ 2,043,783	\$ 12,682	\$ 54,696	\$ 19,119	(1,957,286)
General Revenues:					
Property Taxes					2,015,319
Payment in Lieu of Taxes					11,949
Interest Income					30,921
Memorials/Donations Not Restricted to Specific Programs					932
Other Library Revenues					2,459
Unrealized Gains(Losses)					47,776
Gain(Loss) on Sale of Fixed Assets					(7,221)
Miscellaneous					8,653
Contributions to Permanent Funds					774,037
Total General Revenues, Contributions, and Loss					2,884,825
Change in Net Position					927,539
NET POSITION - BEGINNING, RESTATED					3,660,547
NET POSITION - ENDING					\$ 4,588,086

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, 2021

	General Fund	Special Revenue Fund Retirement Fund	Permanent Fund Helen R. Kuenstler Fund	Total Governmental Funds
ASSETS:				
Cash	\$ 1,275,695			\$ 1,275,695
Restricted Cash	94,583			94,583
Restricted Investment			\$ 781,291	781,291
Property Taxes Receivable	1,772,993	\$ 232,262		2,005,255
Prepaid Expenses	12,993			12,993
Due From Other Funds		173,916		173,916
Total Assets	<u>3,156,264</u>	<u>406,178</u>	<u>781,291</u>	<u>4,343,733</u>
LIABILITIES:				
Accounts Payable	40,735			40,735
Accrued Payroll	33,802			33,802
Due to Other Funds	173,916			173,916
Total Liabilities	<u>248,453</u>			<u>248,453</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue				
Property Taxes	<u>1,877,399</u>	<u>245,939</u>		<u>2,123,338</u>
FUND BALANCE:				
Nonspendable	12,993		781,291	794,284
Restricted	814,311	160,239		974,550
Unassigned	203,109			203,109
Total Fund Balance	<u>1,030,413</u>	<u>160,239</u>	<u>781,291</u>	<u>1,971,943</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 3,156,265</u>	<u>\$ 406,178</u>	<u>\$ 781,291</u>	<u>\$ 4,343,734</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, 2021

TOTAL FUND BALANCE OF GOVERNMENTAL FUNDS (EXHIBIT "C")	\$ 1,971,943
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$6,643,952, net of accumulated depreciation of \$2,695,828 used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	3,948,124
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds (see Note 5).	(1,192,381)
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	25,969
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>(165,569)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT "A")	<u><u>\$ 4,588,086</u></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, 2021

	General Fund	Special Revenue Fund Retirement Fund	Permanent Fund Helen R. Kuenstler Fund	Total Governmental Funds
REVENUES:				
Taxes				
Property	\$ 1,784,140	\$ 231,179		\$ 2,015,319
Intergovernmental Receipts				
State/Local Grant Income	73,815			73,815
Payment in Lieu of Taxes	11,949			11,949
Library Fees	3,060			3,060
Photocopies	8,531			8,531
Interest Income	574		\$ 30,347	30,921
Miscellaneous	8,654			8,654
Other Library Revenues	3,550			3,550
Unrealized Gain/(Loss)			47,776	47,776
Memorials/Donations	932		774,037	774,969
Total Revenues	<u>1,895,205</u>	<u>231,179</u>	<u>852,160</u>	<u>2,978,544</u>
EXPENDITURES:				
Current				
Cultural and Recreation	1,605,116	196,222		1,801,338
Debt Service	111,856			111,856
Investment Fee's			1,286	1,286
Capital Outlay	65,177			65,177
Total Expenditures	<u>1,782,149</u>	<u>196,222</u>	<u>1,286</u>	<u>1,979,657</u>
Transfer In/(Out)	94,583		(94,583)	
Net Change in Fund Balance	207,639	34,957	756,291	998,887
Fund Balance, Beginning of Year	<u>822,774</u>	<u>125,282</u>	<u>25,000</u>	<u>973,056</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,030,413</u>	<u>\$ 160,239</u>	<u>\$ 781,291</u>	<u>\$ 1,971,943</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, 2021

NET CHANGE IN FUND BALANCE -	
TOTAL GOVERNMENTAL FUNDS (EXHIBIT "E")	\$ 998,887
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.	65,177
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.	137,480
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	(365,461)
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.	77,542
The gain(loss) on sale of assets	(7,223)
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.	21,137
CHANGE IN NET POSITION OF	
GOVERNMENTAL ACTIVITIES (EXHIBIT "B")	<u>\$ 927,539</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, 2021

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, 2021

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. Kuenstler 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 revenue funds), the acquisition or construction of general fixed assets (capital projects funds), the

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

C. Fund Accounting (cont'd)

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, 2021

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

United States government securities 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, 2021, the District held \$781,291 in investments. This has been presented as a restricted investment on the Statement of Net Position. The District generated \$94,583 of income from the investments, which is presented as restricted cash of the Statement of Net Position. 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, 2021

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 23, 2020 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, 2021

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 2020 are recorded as a receivable. Property tax revenue in these financial statements is from the 2019 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, 2021

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, 2021

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

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

Fund Balances - Governmental Activities

As of June 30, 2021, 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, 2021.

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 \$814,311 in the general fund consisting of \$480,660 for building and equipment, \$229,663 for liability insurance, \$94,583 for reading materials, and \$9,405 for audit.

The District also had a restricted fund balance of \$160,239 in the retirement fund. The District's total restricted fund balance was \$974,550 as of June 30, 2021.

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, 2021.

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, 2021.

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, 2021

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

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

The District's unassigned fund balance was \$203,109, within the General Fund as of June 30, 2021.

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 financial 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, 2021

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 bank 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 \$1,275,695 including petty cash of \$1,100, and bank balances totaled \$1,305,265. Of the bank balances, \$579,568 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$725,697 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, 2021.

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, 2021 the District had the following:

Reconciliation to the financial statements:

Primary Government

	<u>Deposits</u>	<u>Illinois Funds</u>	<u>Total</u>
Exhibit "A"			
Cash	<u>\$ 743,761</u>	<u>\$ 531,934</u>	<u>\$ 1,275,695</u>

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021 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, 2021:

- a. Mutual Funds of \$173,276 are valued at the net asset value (NAV) of shares held by the plan at year end. (Level 1 inputs).
- b. Equity – Common Stock of \$681,438 are valued at the closing price of shares as of June 30, 2021. (Level 1 inputs).

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3. INTERFUND RECEIVABLES/PAYABLES

Interfund receivable and payable balances at June 30, 2021 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	\$ 173,916

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 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	419,296	\$ 8,988		428,284
Collections	951,584	56,189	\$ (34,561)	973,212
Total Capital Assets Being Depreciated	6,472,336	65,177	(34,561)	6,502,952
Less Accumulated Depreciation for				
Buildings and Improvements	1,615,549	233,842		1,849,391
Furniture, Fixtures and Equipment	226,749	42,647		269,396
Collections	515,407	88,972	(27,338)	577,041
Total Accumulated Depreciation	2,357,705	365,461	(27,338)	2,695,828
Total Capital Assets Being Depreciated, Net	4,114,631	(300,284)	(7,223)	3,807,124
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$4,255,631	\$(300,284)	\$ (7,223)	\$3,948,124

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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>\$ 365,461</u>
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TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 365,461</u></u>
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NOTE 5. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

Description and Purpose	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Primary Government					
<u>Governmental Activities</u>					
General Fund					
Accumulated Compensated Absences					
Absences	\$ 90,917		\$ 21,137	\$ 69,780	
Direct Borrowings					
G.O. Bonds Series 2013	1,200,143		77,542	1,122,601	\$ 79,807
Total Government Activities	<u>\$ 1,291,060</u>	<u>\$ 0</u>	<u>\$ 98,679</u>	<u>\$ 1,192,381</u>	<u>\$ 79,807</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, 2021.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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
2022	\$ 79,807	\$ 32,048	\$ 111,855
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	208,169	6,221	214,390
	<u>\$ 1,122,651</u>	<u>\$ 210,291</u>	<u>\$ 1,332,942</u>

NOTE 6. OPERATING 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, 2021 is \$5,220.

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

Fiscal Year Ending	Copiers
6/30/2022	\$ 5,220
6/30/2023	4,950
6/30/2024	3,600
6/30/2025	3,600
	<u>\$ 17,370</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, 2021

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.

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, 2021

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

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	28
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	19
Active Plan Members	<u>30</u>
Total	<u><u>77</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual required contribution rate for calendar year 2020 was 10.34%. For the fiscal year ended June 30, 2021, the District contributed \$111,829 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, 2020. 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, 2021

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, 2020:

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, 2021

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, 2020 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, 2020:

Asset Class	Target Allocation	Return 12/31/2020	<u>Projected Returns/Risk</u>	
			One Year Arithmetic	Ten Year Geometric
Equities	37.00%	22.07%	6.35%	5.00%
International Equities	18.00%	13.52%	7.65%	6.00%
Fixed Income	28.00%	7.87%	1.40%	1.30%
Real Estate	9.00%	4.20%	7.10%	6.20%
Alternatives	7.00%			
Private Equity		N/A	10.35%	6.95%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	3.90%	2.85%
Cash Equivalents	1.00%	2.56%	0.70%	0.70%
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, 2021

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 2.00%, 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, 2019	\$5,149,061	\$ 4,894,203	\$ 254,858
Changes for the year:			
Service Cost	118,697		118,697
Interest	367,082		367,082
Difference between expected and actual experience	225,446		225,446
Contributions-employees		53,560	(53,560)
Contributions- employer		123,068	(123,068)
Net investment income		702,576	(702,576)
Assumption Changes	(64,721)		
Benefit payments including refunds of employee contributions	(290,426)	(290,426)	
Other (Net Transfer)		48,127	(48,127)
Net Changes	356,078	636,905	(280,827)
Balance, December 31, 2020	\$5,505,139	\$ 5,531,108	\$ (25,969)

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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%	\$ 633,329
Current discount rate	7.25%	(25,969)
1% increase	8.25%	(562,099)

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

For the year ended June 30, 2021, the District recognized pension income of \$ 25,673 . At June 30, 2021, 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	\$ 245,783	\$ 160
Changes of assumptions	55,280	80,777
Net difference between projected and actual earnings	236,458	669,518
Contributions after Measurement Date	47,365	
	<u>\$ 584,886</u>	<u>\$ 750,455</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:

Year ending December 31,	
2021	\$ (15,439)
2022	34,621
2023	(127,417)
2024	(57,334)
2025	0
Thereafter	0
Total	<u>\$ (165,569)</u>

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8. OTHER NOTE DISCLOSURES

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 \$70,872, 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, 2021, 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, 2020	\$ 154,536
2019 Levy Collected in 2020	360,410
Risk Management Expenses	(285,283)
Liability Insurance - Restricted Fund Balance - June 30, 2021	<u>\$ 229,663</u>

E. Legal Debt Margin

The computation of legal debt margin at June 30, 2021 is as follows:

ASSESSED VALUATION - 2020 Tax Year	<u>\$ 469,349,783</u>
Debt Limit - 8.625% of Assessed Value	40,481,419
Total Debt	<u>1,122,601</u>
LEGAL DEBT MARGIN	<u>\$ 39,358,818</u>

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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, 2021.

H. Permanent Endowment

The District received the remainder of the permanent endowment from the Helen R. Kuenstler Revocable Trust. The trust provided a gift of \$799,037 to the District. 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. \$25,000 of the total amount was received in June 2020, bringing the total amount received to \$824,037. As of June 30, 2021, \$94,583 has been generated from the endowment.

I. New Accounting Pronouncements

Effective July 1, 2020, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statements No. 84 had no impact on the financial statements of the District for the year ended June 30, 2021.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9. OTHER NOTE DISCLOSURES (CONT'D)

I. New Accounting Pronouncements

GASB Statement No. 84 requires fiduciary activities to be reported in the basic financial statements because (a) their related assets are controlled by the District or (b) fiduciary component units have been identified through the component unit evaluation. This statement clarifies the definitions of the three existing fiduciary fund categories associated with trusts that meet specific criteria, and establishes a new custodial fund category for all other fiduciary activity not required to be reported in the fund financial statements because 1) the assets associated with the activity are controlled by the District, 2) the assets associated with the activity are not derived from the District's own-source revenues, and 3) the assets are for the benefit of individuals and the District does not have administrative involvement with the assets or direct financial involvement with the assets.

GASB Statement No. 87, Leases, issued June 2017, will be effective for the District for the fiscal year ending June 30, 2022. 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.

J. Contingencies

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The resulting restrictions on travel and quarantines imposed have had a negative impact on the U.S. Economy and business activity globally, the full impact of which is not yet known and may result in an adverse impact on the District's assets and operating results.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9. OTHER NOTE DISCLOSURES (CONT'D)

K. Subsequent Events

Management has evaluated subsequent events through the December 15, 2021, the date on which the financial statements were available to be issued. As of December 15, 2021, 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, 2021

	General Fund			Retirement Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
Property Taxes	\$ 1,896,896	\$ 1,896,896	\$ 1,784,140	\$ 230,682	\$ 230,682	\$ 231,179
Payments in Lieu of Taxes			11,949			
Grant Income	64,542	64,542	73,815			
Library Fees	2,400	2,400	3,060			
Photocopies	9,300	9,300	8,531			
Interest Income	9,000	9,000	574			
Miscellaneous Income	11,313	11,313	8,654			
Memorials/Donations	200	200	932			
Other Library Revenues	11,900	11,900	3,550			
Total Revenues	<u>2,005,551</u>	<u>2,005,551</u>	<u>1,895,205</u>	<u>230,682</u>	<u>230,682</u>	<u>231,179</u>
EXPENDITURES:						
Salaries	\$ 1,204,551	\$ 1,204,551	\$ 1,113,359			
Contract Labor			863			
Retirement				\$ 242,201	\$ 242,201	\$ 196,222
Group Insurance	217,100	217,100	174,452			
Unemployment Taxes	2,975	2,975	2,594			
Workers' Compensation	5,500	5,500	4,679			
Insurance	27,918	27,918	16,580			
Legal and Accounting	71,137	71,137	7,074			
Auditing	7,053	7,053	6,250			
Building Repair	35,200	35,200	9,201			
Custodial and Grounds Supply	400	400	171			
Dues	9,834	9,834	6,660			
Library Supplies	11,805	11,805	17,360			
Postage	1,785	1,785	1,462			
Printing	9,350	9,350	6,735			
Continuing Education/Travel	32,070	32,070	12,982			
Programming	14,500	14,500	10,260			
Rental/Service Agreements	60,004	60,004	53,319			
Telephone	11,280	11,280	14,253			

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, 2021

	General Fund			Retirement Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
EXPENDITURES (CONT'D):						
Utilities	\$ 31,980	\$ 31,980	\$ 23,813			
Vehicle Operation	1,800	1,800	815			
Vehicle Repair	1,000	1,000	0			
Miscellaneous	14,200	14,200	1,135			
Contingencies	3,000	3,000	6,508			
Automation	27,533	27,533	25,720			
Waste Removal	4,068	4,068	3,825			
Adult Books	35,000	35,000	33,773			
Juvenile Books	22,846	22,846	9,646			
Periodicals	6,000	6,000	2,565			
Audio Visual	7,000	7,000	7,321			
Microforms	300	300	0			
Technology	23,100	23,100	15,655			
Databases	38,001	38,001	39,576			
Electronic Materials	34,400	34,400	37,331			
Other Library Expenditures	9,741	9,741	2,915			
Library Material Fines	1,600	1,600	1,441			
Capital Expenditures		0				
Capital Outlay	10,000	10,000				
Debt Service	111,856	111,856	111,856			
Total Expenditures	<u>2,105,887</u>	<u>2,105,887</u>	<u>1,782,149</u>	<u>242,201</u>	<u>242,201</u>	<u>196,222</u>
Transfer In/(Out)			94,583			
Net Change in Fund Balance	<u>\$ (100,336)</u>	<u>\$ (100,336)</u>	207,639	<u>\$ (11,519)</u>	<u>\$ (11,519)</u>	34,957
Fund Balance, Beginning of Year			<u>822,774</u>			<u>125,282</u>
FUND BALANCE, END OF YEAR			<u>\$ 1,030,413</u>			<u>\$ 160,239</u>

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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, 2021:

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, 2021.

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, 2021

<u>Calendar Year Ending December 31,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service Cost	\$ 118,697	\$ 111,156	\$ 108,971	\$ 102,273	\$ 114,532	\$ 109,501	\$ 116,669
Interest on the Total Pension Liability	367,082	351,110	331,745	321,784	308,412	291,695	260,861
Benefit Changes							
Difference Between Expected and Actual Experience	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	(290,426)	(259,284)	(237,095)	(234,525)	(238,394)	(201,281)	(192,773)
Net Change in Total Pension Liability	356,078	232,095	429,638	130,750	171,495	244,728	424,151
Total Pension Liability - Beginning	5,149,061	4,916,966	4,487,328	4,356,578	4,185,083	3,940,355	3,516,204
Total Pension Liability - Ending (a)	\$ 5,505,139	\$ 5,149,061	\$ 4,916,966	\$ 4,487,328	\$ 4,356,578	\$ 4,185,083	\$ 3,940,355
Plan Fiduciary Net Position							
Employer Contributions	\$ 123,068	\$ 93,617	\$ 112,759	\$ 110,051	\$ 113,412	\$ 105,805	\$ 117,143
Employee Contributions	53,560	50,695	51,268	47,618	46,950	45,087	44,431
Pension Plan Net Investment Income	702,576	806,608	(259,581)	709,736	245,526	18,195	210,269
Benefit Payments and Refunds	(290,426)	(259,284)	(237,095)	(234,525)	(238,394)	(201,281)	(192,773)
Other	48,127	27,496	100,663	(99,496)	48,010	26,118	22,542
Net Change in Plan Fiduciary Net Position	636,905	719,132	(231,986)	533,384	215,504	(6,076)	201,612
Plan Fiduciary Net Position - Beginning	4,894,203	4,175,071	4,407,057	3,873,673	3,658,169	3,664,245	3,462,633
Plan Fiduciary Net Position - Ending (b)	\$ 5,531,108	\$ 4,894,203	\$ 4,175,071	\$ 4,407,057	\$ 3,873,673	\$ 3,658,169	\$ 3,664,245
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (25,969)	\$ 254,858	\$ 741,895	\$ 80,271	\$ 482,905	\$ 526,914	\$ 276,110
Plan Fiduciary Net Position as a Percentage							
of Total Pension Liability	100.47%	95.05%	84.91%	98.21%	88.92%	87.41%	92.99%
Covered Valuation Payroll	\$ 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	-2.18%	22.62%	66.72%	7.59%	46.28%	52.59%	28.43%

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, 2021

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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 2020 CONTRIBUTION RATE*
JUNE 30, 2021

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 2020 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): 23-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 18 years for most employers (three employers were financed over 27 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 year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with

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 2020 CONTRIBUTION RATE*
JUNE 30, 2021

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, 2018 actuarial valuation.

SIX MILE REGIONAL LIBRARY DISTRICT
AUDIT REPORT PRESENTATION
JUNE 30, 2021

Audit Report
Page Reference

1-2 Independent Auditor's Report - our opinion is unmodified. In the prior period we had a qualification on the Governmental Activities related to the fact that district had not capitalized and depreciated its collection of books and materials, which is required to be in accordance with accounting principles generally accepted in the United States of America and Governmental Accounting Standards Board (GASB) Statement No. 34. In the current year, a value was assigned to the libraries collections and included in the gov't wide statements, therefore we have an unmodified opinion on the financials as a whole.

3-4 Government - Wide Financial Statements (GASB 34) -

Net Position, Beginning of Year, as previously stated	\$ 3,660,547
Change in Net Position	927,539
Net Position, End of Year	<u>\$ 4,588,086</u>

7 Statement of Revenues, Expenditures, and Changes in Fund Balance -

	<u>2020</u>	<u>2021</u>	<u>Change</u>
<u>General Fund</u>			
Revenues	\$ 2,047,952	\$ 1,895,205	\$ 152,747
Expenditures	1,927,998	1,782,149	(145,849)
Transfer In		94,583	(94,583)
Net Change In			
Fund Balance	<u>\$ 119,954</u>	<u>\$ 207,639</u>	<u>\$ (87,685)</u>
<u>Retirement Fund</u>			
Revenues	\$ 229,702	\$ 231,179	\$ (1,477)
Expenditures	194,531	196,222	1,691
Net Change In			
Fund Balance	<u>\$ 35,171</u>	<u>\$ 34,957</u>	<u>\$ 214</u>
<u>Permanent Fund</u>			
Revenues	\$ 25,000	\$ 852,160	\$ (827,160)
Expenditures		1,286	1,286
Transfer Out		94,583	94,583
Net Change In			
Fund Balance	<u>\$ 25,000</u>	<u>\$ 756,291</u>	<u>\$ (731,291)</u>

20-21 Note 4 - Capital Assets

21-22 Note 5 - Changes in Long-Term Debt

22-28 Note 7 - Defined Benefit Pension Plan

29-32 Note 9 - Other Note Disclosures

33-34 Budget to Actual (Major Funds)

SAS 115 Letter

SAS 114 Letter



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

December 15, 2021

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

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Six Mile Regional Library District, Madison County, Illinois, as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Six Mile Regional Library District's internal control to be significant deficiencies:



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

December 15, 2021

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

We have audited the financial statements of the governmental activities and each major fund of the Six Mile Regional Library District, Madison County, Illinois for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 22, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Six Mile Regional Library District are described in Note 2 to the financial statements. As described in Note 8, Six Mile Regional Library District adopted Statement of Governmental Accounting Standards (GASB statements) Nos. 84, *Fiduciary Funds*. However, no existing policies were changed. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fixed asset lives is based on past experience of the District. We evaluated the key factors and assumptions used to develop the fixed asset lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Illinois Municipal Retirement Fund and Teachers' Retirement System actuarial estimates of investment rate of return, rate of salary increase and rate of inflation used in determining net pension liability were based on actuarial methods and assumptions adopted by each pension plan. We evaluated the assumptions used to develop the net pension liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of long-term debt in Note 5 to the financial statements.

The disclosure of the pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pension of the Illinois Municipal Retirement Fund in Note 7 to the financial statements.

The financial statements disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has deemed that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. The attached adjustments were detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information, as listed in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financials statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the Six Mile Regional Library District and is not intended to be and should not be used by anyone other than these specified parties.

Scheffel Boyle

Alton, Illinois

Six Mile Regional Library District: General Fund

Year End: June 30, 2021

Adjusting Journal entries

Date: 7/1/2020 To 6/30/2021

Prepared by	Reviewed by	A and A	Principal
AH 12/20/2021			JCA 12/15/2021

3400

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
21	6/30/2021	Accounts Receivable	1221 GF			1,722.86			
21	6/30/2021	Unrealized Gain/Loss-Securities	3010 GF				1,722.86		
		To record receivable included on investment confirmation							
						1,722.86	1,722.86		
		Net Income (Loss)	1,000,607.21						

Adjustments are immaterial individually and in the aggregate.