

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2025

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
JUNE 30, 2025

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Six Mile Regional Library District
2001 Delmar Avenue
Granite City, Illinois 62040

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Six Mile Regional Library District (the District), as of and for the year ended June 30, 2025, 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 and each major fund of Six Mile Regional Library District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, IMRF Schedules of Changes in Net Pension Liability information, IMRF Multiyear Schedule of Employer Contributions, and related notes to required supplementary information

as listed in the table of contents 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
February 5, 2026

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
STATEMENT OF NET POSITION
JUNE 30, 2025

| | Governmental Activities |
|---|----------------------------|
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | |
| ASSETS | |
| Cash | \$ 2,321,838 |
| Prepaid Expenses | 26,619 |
| Restricted Investment | 817,034 |
| Property Taxes Receivable | 2,561,457 |
| Capital Assets - Nondepreciable | 141,000 |
| Capital Assets - Depreciable, Net of Accumulated Depreciation | 2,671,121 |
| Total Assets | \$ 8,539,069 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Related to Defined Benefit Plan - IMRF | \$ 555,105 |
| Total Deferred Outflows of Resources | \$ 555,105 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 9,094,174 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u> | |
| LIABILITIES | |
| Accounts Payable and Accrued Expenses | \$ 61,887 |
| Accrued Compensated Absences Due within One Year | 22,496 |
| Current Portion of Bonds Payable | 89,790 |
| Noncurrent Liabilities Due in More Than One Year | |
| Accrued Compensated Absences, Net of Current Portion | 89,986 |
| Bonds Payable, Net of Current Portion | 698,710 |
| Net Pension Liability | 377,996 |
| Total Liabilities | \$ 1,340,865 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Property Taxes | \$ 2,573,854 |
| Related to Defined Benefit Plan - IMRF | 522,792 |
| Total Deferred Inflows of Resources | \$ 3,096,646 |
| NET POSITION | |
| Net Investment in Capital Assets | \$ 2,023,621 |
| Restricted - Expendable | |
| Retirement | 391,969 |
| Audit | 4,791 |
| Building and Equipment | 299,190 |
| Liability Insurance | 263,629 |
| Endowment Investment Income | 104,517 |
| Restricted - Nonexpendable | |
| Permanent Endowment | 712,517 |
| Unrestricted | 856,429 |
| TOTAL NET POSITION | \$ 4,656,663 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | \$ 9,094,174 |

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

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

| FUNCTIONS/PROGRAMS | Program Revenues | | | Net (Expenses) Revenues and Change in Net Position |
|---|------------------|-------------------------|--|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Primary Government |
| | | | | Governmental Activities |
| PRIMARY GOVERNMENT: | | | | |
| Cultural and Recreation | \$ 2,786,430 | \$ 30,119 | \$ 58,950 | \$ (2,697,361) |
| TOTAL PRIMARY GOVERNMENT | \$ 2,786,430 | \$ 30,119 | \$ 58,950 | \$ (2,697,361) |
| General Revenues: | | | | |
| Property Taxes | | | | \$ 2,461,841 |
| Payment in Lieu of Taxes | | | | 157,372 |
| Interest Income | | | | 56,187 |
| Memorials and Donations Not Restricted | | | | 7,390 |
| Unrealized Gains (Losses) | | | | 27,354 |
| Gain (Loss) on Disposal of Capital Assets | | | | (33,531) |
| Miscellaneous | | | | 1,195 |
| Total General Revenues | | | | \$ 2,677,808 |
| CHANGE IN NET POSITION | | | | \$ (19,553) |
| NET POSITION, BEGINNING OF YEAR | | | | 4,696,898 |
| Cumulative Adjustment due to Adoption of Accounting Principle | | | | (20,682) |
| NET POSITION, BEGINNING OF YEAR, AS RESTATED | | | | \$ 4,676,216 |
| NET POSITION, END OF YEAR | | | | \$ 4,656,663 |

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, 2025

| | General Fund | Special Revenue Fund Retirement Fund | Permanent Fund Helen R. Kuenstler Fund | Total Governmental Funds |
|--|---------------------|--|--|--------------------------------|
| ASSETS: | | | | |
| Cash | \$ 2,321,838 | | | \$ 2,321,838 |
| Property Taxes Receivable | 2,302,185 | \$ 259,272 | | 2,561,457 |
| Prepaid Expenses | 26,619 | | | 26,619 |
| Restricted Investment | 104,517 | | \$ 712,517 | 817,034 |
| Due From Other Funds | | 393,224 | | 393,224 |
| TOTAL ASSETS | \$ 4,755,159 | \$ 652,496 | \$ 712,517 | \$ 6,120,172 |
| LIABILITIES: | | | | |
| Accounts Payable | \$ 55,491 | | | \$ 55,491 |
| Accrued Payroll | 6,396 | | | 6,396 |
| Due to Other Funds | 393,224 | | | 393,224 |
| Total Liabilities | \$ 455,111 | \$ 0 | \$ 0 | \$ 455,111 |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Property Taxes | \$ 2,313,327 | \$ 260,527 | | \$ 2,573,854 |
| | \$ 2,313,327 | \$ 260,527 | \$ 0 | \$ 2,573,854 |
| FUND BALANCE: | | | | |
| Nonspendable | \$ 26,619 | | \$ 712,517 | \$ 739,136 |
| Restricted | 672,127 | \$ 391,969 | | 1,064,096 |
| Unassigned | 1,287,975 | | | 1,287,975 |
| Total Fund Balance | \$ 1,986,721 | \$ 391,969 | \$ 712,517 | \$ 3,091,207 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 4,755,159 | \$ 652,496 | \$ 712,517 | \$ 6,120,172 |

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

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

| | | |
|--|-----------|--------------|
| Total Governmental Fund Balances | | \$ 3,091,207 |
| Total Net Position reported for Governmental Activities in the Statement of Net Position is different because: | | |
| Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. | | |
| Those assets consist of: | | |
| Land | \$141,000 | |
| Buildings, Net of \$539,803 Accumulated Depreciation | 165,802 | |
| Building Improvements, Net of \$2,238,332 Accumulated Depreciation | 2,157,519 | |
| Collections, Net of \$665,025 Accumulated Depreciation | 299,707 | |
| Equipment, Net of \$433,083 Accumulated Depreciation | 4,196 | |
| Vehicles, Net of \$6,753 Accumulated Depreciation | 43,897 | |
| Total Capital Assets | 2,812,121 | |
| Long-term liabilities applicable to the District's Governmental Activities are not due and payable in the current period and accordingly are not reported as fund liabilities. | | |
| At June 30, 2025, these liabilities consist of: | | |
| Accrued Compensated Absences | | (112,482) |
| Bonds Payable | | (788,500) |
| Net pension liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported in governmental funds | | (345,683) |
| Total Net Position of Governmental Activities | | \$ 4,656,663 |

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
FOR THE YEAR ENDED JUNE 30, 2025

| | General Fund | Special Revenue Fund | Permanent Fund | Total Governmental Funds |
|--|----------------------------|----------------------------|-------------------------------|--------------------------------|
| | | Retirement Fund | Helen R. Kuenstler Fund | |
| REVENUES: | | | | |
| Property Taxes | \$ 2,209,392 | \$ 252,449 | | \$ 2,461,841 |
| Payments in Lieu of Taxes | 157,372 | | | 157,372 |
| Grant Income | 58,950 | | | 58,950 |
| Interest Income | 31,903 | 17 | \$ 24,267 | 56,187 |
| Memorials/Donations | 7,390 | | | 7,390 |
| Library Fees | 2,852 | | | 2,852 |
| Photocopies | 13,584 | | | 13,584 |
| Other Library Revenues | 13,683 | | | 13,683 |
| Miscellaneous Income | 1,195 | | | 1,195 |
| Unrealized Gain/(Loss) | | | 27,354 | 27,354 |
| Total Revenues | <u>\$ 2,496,321</u> | <u>\$ 252,466</u> | <u>\$ 51,621</u> | <u>\$ 2,800,408</u> |
| EXPENDITURES: | | | | |
| Current | | | | |
| Cultural and Recreation | \$ 1,969,259 | \$ 191,080 | | \$ 2,160,339 |
| Debt Service | 111,856 | | | 111,856 |
| Capital Outlay | 65,433 | | | 65,433 |
| Investment Fees | | | \$ 1,203 | 1,203 |
| Total Expenditures | <u>\$ 2,146,548</u> | <u>\$ 191,080</u> | <u>\$ 1,203</u> | <u>\$ 2,338,831</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 349,773 | \$ 61,386 | \$ 50,418 | \$ 461,577 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In (Out) | 23,101 | | (23,101) | |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) | \$ 372,874 | \$ 61,386 | \$ 27,317 | \$ 461,577 |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,613,847</u> | <u>330,583</u> | <u>685,200</u> | <u>2,629,630</u> |
| FUND BALANCE, END OF YEAR | <u><u>\$ 1,986,721</u></u> | <u><u>\$ 391,969</u></u> | <u><u>\$ 712,517</u></u> | <u><u>\$ 3,091,207</u></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
TO THE STATEMENT OF ACTIVITIES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

| | |
|---|--------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 461,577 |
| <p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> | |
| <p>Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeded capital outlay.</p> | (245,555) |
| <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p> | |
| <p>Changes in net pension obligations and deferred inflows and outflows related to pension are reported only on the Statement of Activities</p> | (269,819) |
| <p>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.</p> | 87,421 |
| <p>Governmental Funds do not report the net effect of various transactions involving capital assets (i.e., sales, trade-ins, disposals, etc)</p> | (33,531) |
| <p>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.</p> | <u>(19,646)</u> |
| Change in Net Position of Governmental Activities | <u>\$ (19,553)</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, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Six Mile Regional Library District is a municipal corporation governed by an elected seven-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 Six Mile Regional Library 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. 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.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) 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. Major individual governmental funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

Six Mile Regional Library 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.

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

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.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued)

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 capital 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. Basis of Accounting

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 are generally recorded when fund liability is incurred. However, debt service expenditures are recorded when payment is due.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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

Six Mile Regional Library 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 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

Investments are stated at fair value. Investments at June 30, 2025, consisted of money market funds, government backed securities, and municipal bonds. The District’s investments are presented as a restricted investment on the Statement of Net Position and Balance Sheet.

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 attach as an enforceable lien on property as of January 1. The taxes are levied no later than the fourth Tuesday in December of the preceding year. Taxes are payable in four installments on July 5, September 5, October 5, and December 5. Madison County bills the taxes and collections are remitted to the County Collector. The County Collector disburses the tax. For governmental funds, only property taxes which are intended to finance the current fiscal year and are collected within 60 days subsequent to the year-end are recorded as revenues. Property taxes recorded as revenue in these financial statements are from the 2023 tax levy.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid 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 capital 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:

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

I. Compensated Absences

In the government-wide financial statements, compensated absences are recorded as an expense and liability in accordance with the adoption of GASB Statement No. 101.

J. Long-Term Obligations

In the 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.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Fund Balances - Governmental Funds

As of June 30, 2025, 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 \$26,619 in the general fund consisting of prepaid expenses. The District also had a nonspendable fund balance of \$712,517 in the permanent fund consisting of a permanent endowment. The District's total nonspendable fund balance was \$739,136 as of June 30, 2025.

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. As of June 30, 2025, the District had a restricted fund balance of \$672,127 in the general fund consisting of \$299,190 for building and equipment, \$263,629 for liability insurance, \$4,791 for audit, and \$104,517 of restricted endowment earnings. The District also had a restricted fund balance of \$391,969 in the retirement fund.

Committed - consists of fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action by the District's

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net Position/Fund Balances (Continued)

Fund Balances - Governmental Funds (Continued)

Board of Trustees, the District's highest level of decision-making authority. The District has no committed fund balance as of June 30, 2025.

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, 2025.

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. The District's unassigned fund balance was \$1,287,975 within the General Fund as of June 30, 2025.

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 the 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.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. New Accounting Pronouncements

Effective July 1, 2024, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. This statement requires the recognition of a liability for both unused and used, but unpaid, compensated absences. The liability is recognized when the leave is attributable to past services, accumulates, and is more likely than not to be used. The liability is measured at the employee's rate of pay as of the Statement of Net Position date. The District has restated its beginning net position for the cumulative effect of adopting this standard (see Note 7).

Effective July 1, 2024, the District adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to disclose information about risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. At this time, the District has not identified any new concentrations or constraints that pose a risk requiring disclosure as a result of adopting this standard.

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. 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 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.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits (Continued)

At June 30, 2025, the carrying amount of the District's cash totaled \$2,321,838. The District's bank balances totaled \$2,328,094, of which \$314,755 was fully insured by federal depository insurance, \$639,062 was fully insured by the Illinois Funds, and \$1,374,277 was collateralized by pledged collateral. The District had no deposits that were uninsured or uncollateralized.

Custodial Credit Risk – Investments

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, 2025 the District had the following investments:

| | <u>Money Market Deposits</u> | <u>Fixed Income Bonds</u> | <u>Total</u> |
|------------------------|----------------------------------|-------------------------------|-------------------|
| Exhibit "A" | | | |
| Restricted Investments | <u>\$ 65,019</u> | <u>\$ 752,015</u> | <u>\$ 817,034</u> |

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.

As of June 30, 2025, the maturities of the District's invested cash and investments were as follows:

| <u>Invested Cash/Investment Type</u> | <u>Balance</u> | <u>Less Than 1 Year</u> | <u>1-5 Years</u> | <u>More Than 5 Years</u> |
|--------------------------------------|-------------------|-----------------------------|----------------------|------------------------------|
| Money Market | \$ 65,019 | \$ 65,019 | | |
| Fixed Income Bonds | 752,015 | | \$ 251,518 | \$ 500,497 |
| Total | <u>\$ 817,034</u> | <u>\$ 65,019</u> | <u>\$ 251,518</u> | <u>\$ 500,497</u> |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2025, the District's had the following investments which were rated by Moody's or S&P:

| | <u>General Fund</u> | <u>Helen R. Kuenstler Fund</u> | <u>Rating</u> |
|--|-------------------------|--|---------------|
| Illinois Funds | \$ 639,062 | | AAA |
| Dreyfus Treasury Money Market | | \$ 65,019 | AA+ |
| Federal Home Loan Banks Bonds | | 86,554 | AA+ |
| Federal Farm Credit Banks Bonds | | 241,390 | AA+ |
| Oregon State Bonds of Higher Education | | 20,410 | AA+ |
| Maine State Housing Authority Bonds | | 231,108 | AA+ |
| New Haven, CT General Obligation Bonds | | 87,679 | AA |
| East Moline, IL General Obligation Bonds | | 84,874 | AA |
| | <u>\$ 639,062</u> | <u>\$ 817,034</u> | |

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. All of the District's restricted investments are considered Level 2.

NOTE 3. INTERFUND RECEIVABLES/PAYABLES

Interfund receivable and payable balances at June 30, 2025 are as follows:

| <u>Interfund Receivable</u> | | <u>Interfund Payable</u> |
|--------------------------------|-------------------|--------------------------------|
| Major Governmental Funds | | Major Governmental Funds |
| Retirement Fund | \$ 393,224 | General Fund |
| Total Major Governmental Funds | <u>\$ 393,224</u> | Total Major Governmental Funds |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. INTERFUND RECEIVABLES/PAYABLES (CONTINUED)

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

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 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 | 437,279 | | | 437,279 |
| Collections | 1,010,818 | \$ 65,433 | \$ (111,519) | 964,732 |
| Vehicles | | 50,650 | | 50,650 |
| Total Capital Assets Being Depreciated | <u>\$ 6,549,553</u> | <u>\$ 116,083</u> | <u>\$ (111,519)</u> | <u>\$ 6,554,117</u> |
| Less Accumulated Depreciation for | | | | |
| Buildings and Improvements | \$ 2,546,502 | \$ 231,633 | | \$ 2,778,135 |
| Furniture, Fixtures and Equipment | 397,106 | 35,977 | | 433,083 |
| Collections | 655,738 | 87,275 | \$ (77,988) | 665,025 |
| Vehicles | | 6,753 | | 6,753 |
| Total Accumulated Depreciation | <u>\$ 3,599,346</u> | <u>\$ 361,638</u> | <u>\$ (77,988)</u> | <u>\$ 3,882,996</u> |
| Total Capital Assets Being Depreciated, Net | <u>2,950,207</u> | <u>(245,555)</u> | <u>(33,531)</u> | <u>2,671,121</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | | | | |
| | <u>\$ 3,091,207</u> | <u>\$ (245,555)</u> | <u>\$ (33,531)</u> | <u>\$ 2,812,121</u> |

Depreciation expense of \$361,638 was charged to the culture and recreation function/program.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

| <u>Governmental Activities</u> | <u>Balance June 30, 2024</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2025</u> | <u>Due Within One Year</u> |
|--------------------------------|--------------------------------------|------------------|------------------|--------------------------------------|------------------------------------|
| <u>Direct Placements</u> | | | | | |
| G.O. Bonds Series 2013 | \$ 875,921 | | \$ 87,421 | \$ 788,500 | \$ 89,790 |
| Total Direct Placements | \$ 875,921 | \$ 0 | \$ 87,421 | \$ 788,500 | \$ 89,790 |
| <u>Other Liabilities</u> | | | | | |
| Compensated Absences | \$ 92,838 | \$ 19,644 | | \$ 112,482 | \$ 22,496 |
| Total Other Liabilities | \$ 92,838 | \$ 19,644 | \$ 0 | \$ 112,482 | \$ 22,496 |
| Total Government Activities | <u>\$ 968,759</u> | <u>\$ 19,644</u> | <u>\$ 87,421</u> | <u>\$ 900,982</u> | <u>\$ 112,286</u> |

Direct Placements - 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:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|-------------------|------------------|-------------------|
| 2026 | \$ 89,790 | \$ 22,066 | \$ 111,856 |
| 2027 | 92,474 | 19,381 | 111,855 |
| 2028 | 95,215 | 16,640 | 111,855 |
| 2029 | 98,109 | 13,746 | 111,855 |
| 2030 | 101,020 | 10,835 | 111,855 |
| 2031-2033 | 311,892 | 14,352 | 326,244 |
| | <u>\$ 788,500</u> | <u>\$ 97,020</u> | <u>\$ 885,520</u> |

NOTE 6. 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, 2025

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2025

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

| | IMRF |
|-------------------------------|------|
| Retirees and Beneficiaries | 27 |
| Inactive, Non-Retired Members | 31 |
| Active Members | 34 |
| Total | 92 |

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 2025 is 7.09%. The District's annual contribution rate for calendar year 2024 was 6.83%. For the fiscal year ended June 30, 2025, the District contributed \$91,597 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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

| | |
|-------------------------|------------------------|
| Actuarial Cost Method | Entry Age Normal |
| Assets Valuation Method | Market Value of Assets |
| Price Inflation | 2.25% |
| Salary Increases | 2.85% to 13.75% |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2024:

| Asset Class | Target Allocation | Return 12/31/2024 | Projected Returns/Risk | |
|------------------------|--------------------------|--------------------------|-------------------------------|---------------------------|
| | | | One Year Arithmetic | Ten Year Geometric |
| Equities | 33.50% | 19.02% | 5.70% | 4.35% |
| International Equities | 18.00% | 6.35% | 7.10% | 5.40% |
| Fixed Income | 24.50% | 3.14% | 5.30% | 5.20% |
| Real Estate | 10.50% | 2.25% | 7.30% | 6.40% |
| Alternatives | 12.50% | 6.72% | | |
| Private Equity | | N/A | 10.00% | 6.25% |
| Hedge Funds | | N/A | N/A | N/A |
| Commodities | | N/A | 6.05% | 4.85% |
| Cash Equivalents | 1.00% | 5.57% | 3.60% | 3.60% |
| 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:

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 contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability

| | Total Pension Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|---|---------------------------------------|-----------------------------------|----------------------------------|
| Balance, December 31, 2023 | \$ 5,790,125 | \$ 5,484,880 | \$ 305,245 |
| Changes for the year: | | | |
| Service Cost | 117,797 | | 117,797 |
| Interest | 413,552 | | 413,552 |
| Difference between expected and actual experience | (169,550) | | (169,550) |
| Changes in assumptions | | | |
| Contributions-employer | | 89,615 | (89,615) |
| Contributions- employee | | 59,043 | (59,043) |
| Net investment income | | 535,032 | (535,032) |
| Assumption Changes | | | |
| Benefit payments including refunds of employee contributions | (289,705) | (289,705) | |
| Other (Net Transfer) | | (394,642) | 394,642 |
| Net Changes | 72,094 | (657) | 72,751 |
| Balance, December 31, 2024 | <u>\$ 5,862,219</u> | <u>\$ 5,484,223</u> | <u>\$ 377,996</u> |

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:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

| | Discount Rate | Net Pension Liability (Asset) |
|---|------------------|----------------------------------|
| 1% decrease | 6.25% | \$ 1,102,289 |
| Current Single Discount Rate Assumption | 7.25% | 377,996 |
| 1% increase | 8.25% | (202,469) |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2025, the District recognized pension expense of \$361,416. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflow of Resources | Deferred Inflows of Resources |
|---|-------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 24,207 | \$ 162,330 |
| Changes of assumptions | 2,821 | |
| Net difference between projected and actual earnings on pension plan investments | 481,511 | 360,462 |
| Contributions after Measurement Date | 46,566 | |
| | \$ 555,105 | \$ 522,792 |

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, | |
|--------------------------|-----------|
| 2025 | \$ 44,608 |
| 2026 | 106,608 |
| 2027 | (87,542) |
| 2028 | (31,361) |
| 2029 | 0 |
| Thereafter | 0 |
| Total | \$ 32,313 |

NOTE 7. 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 \$80,626, the total required contribution for the current fiscal year.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7. OTHER NOTE DISCLOSURES (CONTINUED)

B. Risk Management - Claims and Judgments

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, 2025, 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, 2024 | \$ | 263,651 |
| 2023 Levy Collected in 2024 | | 380,207 |
| Risk Management Expenses | | (380,229) |
| Liability Insurance - Restricted Fund Balance - June 30, 2025 | \$ | <u>263,629</u> |

E. Legal Debt Margin

The computation of legal debt margin at June 30, 2025 is as follows:

| | | |
|---------------------------------------|----|-----------------------|
| ASSESSED VALUATION - 2024 Tax Year | | <u>\$ 766,256,003</u> |
| Debt Limit - 2.875% of Assessed Value | \$ | 22,029,860 |
| Total Debt | | <u>(788,500)</u> |
| LEGAL DEBT MARGIN | \$ | <u>21,241,360</u> |

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.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7. OTHER NOTE DISCLOSURES (CONTINUED)

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 District’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, 2025, one retiree is 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, 2025.

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 in fiscal year 2021 which consisted of \$781,291 of permanent endowment funds and \$17,746 of accumulated interest and dividends. Going forward, interest and dividends less investment fees 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. Each year the District transfers the interest and dividends received less any investment fees incurred from the Permanent Fund to the General Fund. As of June 30, 2025, the total accumulated interest and dividends less investment fees from the gift that has been transferred to the general fund but has yet to be spent on reading materials was \$104,517. This balance is reported as a restricted investment in the General Fund.

I. Restatement

The District adopted GASB Statement No. 101, Compensated Absences, as of July 1, 2024. The implementation of this standard resulted in the District recording a compensated absences liability as of July 1, 2024. The impact of the GASB Statement adoption is disclosed below:

| | |
|---|------------------------------------|
| | <u>Governmental Activities</u> |
| Net position July 1, 2024, as previously reported | \$ 4,696,898 |
| GASB Statement No. 101 cumulative adjustment | (20,682) |
| Net position July 1, 2024, as restated | <u>\$ 4,676,216</u> |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7. OTHER NOTE DISCLOSURES (CONTINUED)

J. Subsequent Events

Management has evaluated subsequent events through February 5, 2026, which is the date the financial statements were available to be issued.

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

| | Original Budget | Final Budget | Actual | Actual Over (Under) Budget |
|------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| REVENUES: | | | | |
| Property Taxes | \$ 2,113,914 | \$ 2,113,914 | \$ 2,098,109 | \$ (15,805) |
| Payments in Lieu of Taxes | | | 157,372 | 157,372 |
| Grant Income | 68,950 | 68,950 | 58,950 | (10,000) |
| Interest Income | 1,000 | 1,000 | 31,903 | 30,903 |
| Memorials/Donations | 1,000 | 1,000 | 7,390 | 6,390 |
| Library Fees | 2,000 | 2,000 | 2,852 | 852 |
| Photocopies | 11,300 | 11,300 | 13,584 | 2,284 |
| Other Library Revenues | 15,000 | 15,000 | 13,683 | (1,317) |
| Miscellaneous Income | 9,586 | 9,586 | 1,195 | (8,391) |
| Bond Payment Account (Busey) | 112,367 | 112,367 | 111,283 | (1,084) |
| Total Revenues | <u>\$ 2,335,117</u> | <u>\$ 2,335,117</u> | <u>\$ 2,496,321</u> | <u>\$ 161,204</u> |
| EXPENDITURES: | | | | |
| Salaries | \$ 1,405,540 | \$ 1,405,540 | \$ 1,320,903 | \$ (84,637) |
| Contract Labor | | | 9,013 | 9,013 |
| Group Insurance | 202,595 | 202,595 | 174,953 | (27,642) |
| Unemployment Taxes | 10,226 | 10,226 | 4,807 | (5,419) |
| Workers' Compensation | 5,000 | 5,000 | 3,645 | (1,355) |
| Insurance | 31,900 | 31,900 | 25,241 | (6,659) |
| Legal and Accounting | 50,457 | 50,457 | 18,043 | (32,414) |
| Auditing | 12,168 | 12,168 | 12,785 | 617 |
| Building Repair | 34,250 | 34,250 | 3,394 | (30,856) |
| Custodial and Grounds Supply | 8,125 | 8,125 | 7,287 | (838) |
| Dues | 9,121 | 9,121 | 6,269 | (2,852) |
| Library Supplies | 12,900 | 12,900 | 8,938 | (3,962) |
| Postage | 3,290 | 3,290 | 3,181 | (109) |
| Printing | 7,775 | 7,775 | 7,787 | 12 |
| Photocopy Supplies | | | 13,605 | 13,605 |
| Continuing Education/Travel | 21,357 | 21,357 | 12,967 | (8,390) |
| Programming | 15,250 | 15,250 | 13,747 | (1,503) |
| Rental/Service Agreements | 76,059 | 76,059 | 46,828 | (29,231) |
| Telephone | 14,000 | 14,000 | 10,147 | (3,853) |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

| | <u>Original</u> <u>Budget</u> | <u>Final</u> <u>Budget</u> | <u>Actual</u> | <u>Actual Over</u> <u>(Under) Budget</u> |
|--|----------------------------------|-------------------------------|---------------------|---|
| EXPENDITURES (CONT'D): | | | | |
| Utilities | \$ 41,100 | \$ 41,100 | \$ 45,350 | \$ 4,250 |
| Vehicle Operation | 1,800 | 1,800 | 1,017 | (783) |
| Vehicle Repair | 1,000 | 1,000 | 1,254 | 254 |
| Miscellaneous | 13,100 | 13,100 | 9,964 | (3,136) |
| Contingencies | 3,000 | 3,000 | 661 | (2,339) |
| Automation | 35,476 | 35,476 | 35,476 | |
| Waste Removal | 5,508 | 5,508 | 5,311 | (197) |
| Adult Books | 36,000 | 36,000 | 36,004 | 4 |
| Juvenile Books | 21,000 | 21,000 | 16,226 | (4,774) |
| Periodicals | 7,589 | 7,589 | 7,171 | (418) |
| Audio Visual | 6,000 | 6,000 | 6,032 | 32 |
| Microforms | 300 | 300 | | (300) |
| Technology | 32,895 | 32,895 | 31,042 | (1,853) |
| Databases | 38,000 | 38,000 | 23,278 | (14,722) |
| Electronic Materials | 39,000 | 39,000 | 49,293 | 10,293 |
| Other Library Expenditures | 5,146 | 5,146 | 3,209 | (1,937) |
| Library Material Fines | 1,000 | 1,000 | 1,200 | 200 |
| Materials Expenses | | | 8,014 | 8,014 |
| Capital Outlay | 59,000 | 59,000 | 50,650 | (8,350) |
| Building Fund Reserve | 25,500 | 25,500 | | (25,500) |
| Debt Service | 112,569 | 112,569 | 111,856 | (713) |
| Total Expenditures | <u>\$ 2,404,996</u> | <u>\$ 2,404,996</u> | <u>\$ 2,146,548</u> | <u>\$ (258,448)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (69,879) | \$ (69,879) | \$ 349,773 | \$ 419,652 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | | | 23,101 | 23,101 |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) | <u>\$ (69,879)</u> | <u>\$ (69,879)</u> | \$ 372,874 | <u>\$ 442,753</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>1,613,847</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1,986,721</u> | |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

| | Original Budget | Final Budget | Actual | Actual Over (Under) Budget |
|---|--------------------|-----------------|------------|-------------------------------|
| REVENUES: | | | | |
| Property Taxes | \$ 259,823 | \$ 259,823 | \$ 252,449 | \$ (7,374) |
| Interest Income | | | 17 | 17 |
| Total Revenues | \$ 259,823 | \$ 259,823 | \$ 252,466 | \$ (7,357) |
| EXPENDITURES: | | | | |
| Retirement | \$ 254,944 | \$ 254,944 | \$ 191,080 | \$ (63,864) |
| Total Expenditures | \$ 254,944 | \$ 254,944 | \$ 191,080 | \$ (63,864) |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 4,879 | \$ 4,879 | \$ 61,386 | \$ 56,507 |
| FUND BALANCE, BEGINNING OF YEAR | | | 330,583 | |
| FUND BALANCE, END OF YEAR | | | \$ 391,969 | |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
HELEN R. KUENSTLER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

| | Original Budget | Final Budget | Actual | Actual Over (Under) Budget |
|--|--------------------|-----------------|------------|-------------------------------|
| REVENUES: | | | | |
| Kuenstler Trust | \$ 20,000 | \$ 20,000 | \$ 51,621 | \$ 31,621 |
| Total Revenues | \$ 20,000 | \$ 20,000 | \$ 51,621 | \$ 31,621 |
| EXPENDITURES: | | | | |
| Investment Fees | | | \$ 1,203 | \$ 1,203 |
| Total Expenditures | \$ 0 | \$ 0 | \$ 1,203 | \$ 1,203 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 20,000 | \$ 20,000 | \$ 50,418 | \$ 30,418 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer Out | | | (23,101) | (23,101) |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) | \$ 20,000 | \$ 20,000 | \$ 27,317 | \$ 7,317 |
| FUND BALANCE, BEGINNING OF YEAR | | | 685,200 | |
| FUND BALANCE, END OF YEAR | | | \$ 712,517 | |

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

LAST 10 CALENDAR YEARS (schedule to be build prospectively from 2014)

| Calendar Year Ending December 31, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 117,797 | \$ 107,841 | \$ 103,444 | \$ 109,763 | \$ 118,697 | \$ 111,156 | \$ 108,971 | \$ 102,273 | \$ 114,532 | \$ 109,501 |
| Interest on the Total Pension Liability | 413,552 | 405,282 | 383,361 | 391,982 | 367,082 | 351,110 | 331,745 | 321,784 | 308,412 | 291,695 |
| Benefit Changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Difference Between Expected and Actual Experience | (169,550) | (110,334) | 123,117 | (310,235) | 225,446 | 29,113 | 91,666 | 92,412 | (3,205) | 39,992 |
| Assumption Changes | 0 | 7,041 | 0 | 0 | (64,721) | 0 | 134,351 | (151,194) | (9,850) | 4,821 |
| Benefit Payments and Refunds | (289,705) | (311,762) | (307,772) | (306,742) | (290,426) | (259,284) | (237,095) | (234,525) | (238,394) | (201,281) |
| Net Change in Total Pension Liability | 72,094 | 98,068 | 302,150 | (115,232) | 356,078 | 232,095 | 429,638 | 130,750 | 171,495 | 244,728 |
| Total Pension Liability - Beginning | 5,790,125 | 5,692,057 | 5,389,907 | 5,505,139 | 5,149,061 | 4,916,966 | 4,487,528 | 4,356,578 | 4,185,083 | 3,940,355 |
| Total Pension Liability - Ending (a) | \$ 5,862,219 | \$ 5,790,125 | \$ 5,692,057 | \$ 5,389,907 | \$ 5,505,139 | \$ 5,149,061 | \$ 4,916,966 | \$ 4,487,328 | \$ 4,356,578 | \$ 4,185,083 |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer Contributions | \$ 89,615 | \$ 82,862 | \$ 102,357 | \$ 106,447 | \$ 123,068 | \$ 93,617 | \$ 112,759 | \$ 110,051 | \$ 113,412 | \$ 105,805 |
| Employee Contributions | 59,043 | 56,157 | 50,839 | 49,230 | 53,560 | 50,695 | 51,268 | 47,618 | 46,950 | 45,087 |
| Pension Plan Net Investment Income | 535,032 | 570,247 | (768,852) | 947,047 | 702,576 | 806,608 | (259,581) | 709,736 | 245,526 | 18,195 |
| Benefit Payments and Refunds | (285,705) | (311,762) | (307,772) | (306,742) | (290,426) | (259,284) | (237,095) | (234,525) | (238,394) | (201,281) |
| Other | (394,642) | (84,615) | 38,266 | (269,937) | 48,127 | 27,496 | 100,663 | (99,496) | 48,010 | 26,118 |
| Net Change in Plan Fiduciary Net Position | (657) | 312,889 | (885,162) | 526,045 | 636,905 | 719,132 | (231,986) | 533,384 | 215,504 | (6,076) |
| Plan Fiduciary Net Position - Beginning | 5,484,880 | 5,171,991 | 6,057,153 | 5,531,108 | 4,894,203 | 4,175,071 | 4,407,057 | 3,873,673 | 3,658,169 | 3,664,245 |
| Plan Fiduciary Net Position - Ending (b) | \$ 5,484,223 | \$ 5,484,880 | \$ 5,171,991 | \$ 6,057,153 | \$ 5,531,108 | \$ 4,894,203 | \$ 4,175,071 | \$ 4,407,057 | \$ 3,873,673 | \$ 3,658,169 |
| Net Pension Liability/(Asset) - Ending (a)-(b) | 377,996 | 305,245 | 520,066 | (667,246) | (25,969) | 254,858 | 741,895 | 80,271 | 482,905 | 526,914 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 93.55% | 94.73% | 90.86% | 112.38% | 100.47% | 95.05% | 84.91% | 98.21% | 88.92% | 87.41% |
| Covered Valuation Payroll | \$ 1,312,063 | \$ 1,247,924 | \$ 1,129,760 | \$ 1,094,003 | \$ 1,190,225 | \$ 1,126,547 | \$ 1,112,027 | \$ 1,058,184 | \$ 1,043,339 | \$ 1,001,936 |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 28.81% | 24.46% | 46.03% | -60.99% | -2.18% | 22.62% | 66.72% | 7.59% | 46.28% | 52.59% |

SIX MILE REGIONAL LIBRARY DISTRICT
MULTIYEAR SCHEDULE OF EMPLOYER
CONTRIBUTIONS - LAST 10 CALENDAR YEARS -
ILLINOIS MUNICIPAL RETIREMENT FUND
Last 10 Calendar Years

| Calendar Year Ending December 31, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|---|---|------------------------|--|---------------------------------|---|
| 2015 | \$ 105,804 | \$ 105,805 | (1) | \$ 1,001,936 | 10.56% |
| 2016 | 113,411 | 113,412 | (1) | 1,043,339 | 10.87% |
| 2017 | 110,051 | 110,051 | 0 | 1,058,184 | 10.40% |
| 2018 | 112,760 | 112,759 | 1 | 1,112,027 | 10.14% |
| 2019 | 93,616 | 93,617 | (1) | 1,126,547 | 8.31% |
| 2020 | 123,069 | 123,068 | 1 | 1,190,225 | 10.34% |
| 2021 | 106,446 | 106,447 | (1) | 1,094,003 | 9.73% |
| 2022 | 102,356 | 102,357 | (1) | 1,129,760 | 9.06% |
| 2023 | 82,862 | 82,862 | 0 | 1,247,924 | 6.64% |
| 2024 | 89,614 | 89,615 | (1) | 1,312,063 | 6.83% |

SIX MILE REGIONAL LIBRARY DISTRICT
NOTES TO THE SCHEDULE OF CONTRIBUTIONS -
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2024 CONTRIBUTION RATE -
ILLINOIS MUNICIPAL RETIREMENT FUND

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 calendar year in which contributions are reported.

Methods and Assumptions Used to Determine 2024 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): 19-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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers was financed over 17 years: one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years). |
| Asset Valuation Method | 5-Year smoothed market; 20% corridor |
| Wage Growth | 2.75% |
| Price Inflation | 2.25% |
| Salary Increases | 2.75% to 13.75% including inflation |
| Investment Rate of Return | 7.25% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019. |
| Mortality | For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. |

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2022 actuarial valuation

SIX MILE REGIONAL LIBRARY DISTRICT
MADISON COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025:

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, 2025 except for the investment expenses reported in the permanent fund.



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

February 5, 2026

To the Board of Trustees of
Six Mile Regional Library District
2001 Delmar Avenue
Granite City, Illinois 62040

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Six Mile Regional Library District (the District) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of 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 material weaknesses and other deficiencies 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 material weaknesses.

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 internal control to be significant deficiencies:

- The District relied on Scheffel Boyle to prepare its financial statements, including proposing all necessary cash to accrual journal entries, and all required disclosures in accordance with generally accepted accounting principles (GAAP). If the District determines it should assume more responsibility for the accuracy and completeness of the financial statements, this can be accomplished by either having the District's personnel prepare the financial statements in accordance with GAAP or have the District's personnel obtain the schedules used and current disclosure checklist used and review to ensure the propriety and completeness of the financial statements prepared.

- The District does not maintain a schedule of capital assets or calculate the associated depreciation expense and accumulated depreciation. Control over the District's capital assets and the associated financial reporting would be improved by maintaining this schedule.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the cooperation from your staff that our personnel received during the audit of the District's financial statements.

Very truly yours,

A handwritten signature in cursive script that reads "Scheffel Boyle".

Scheffel Boyle



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

February 5, 2026

To the Board of Trustees of
Six Mile Regional Library District
2001 Delmar Avenue
Granite City, Illinois 62040

We have audited the financial statements of the governmental activities and each major fund of Six Mile Regional Library District (the District) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 November 14, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year ended June 30, 2025, the District changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB statements) No. 101, *Compensated Absences*. The District also changed accounting policies related to its vulnerabilities due to certain concentrations and constraints by adopting GASB statement No. 102, *Certain Risk Disclosures*. We noted no transactions entered 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 financial statement 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 list of audit adjustments detected as a result of audit procedures that were corrected by management includes entries to opening balances, property tax receivables and deferred revenues, and investment activity. Additional entries were necessary to record capital asset activity, compensated absences, and pension asset/liability activities for GASB 34 presentation purposes. Also attached, is the list of unadjusted entries related to leases that management has determined to be immaterial to the financial statements as a whole.

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 February 5, 2026.

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 GASB-required supplementary pension schedules, 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 information and use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Scheffel Boyle". The signature is written in a cursive style with a large, prominent "S" at the beginning.

Scheffel Boyle

Six Mile Regional Library
Year End: June 30, 2025
Adjusting Journal Entries
12855
Date: 7/1/2024 To 6/30/2025

| Prepared by | Reviewed by | A and A | Principal |
|-------------|-------------|---------|------------------|
| | | | RMK 1/26/2026 |

AJE

| Number | Date | Account No | Name | Debit | Credit |
|--|-----------|------------|--|--------------|--------------|
| 1 | 6/30/2025 | 4300 GF | Kuenstler Trust Revenue | 20,000.00 | |
| 1 | 6/30/2025 | 3000 GF | Fund Balance - Reserved | | 20,000.00 |
| 1 | 6/30/2025 | 3300 GF | Unrealized Gains and Losses | 9,246.50 | |
| 1 | 6/30/2025 | 3100 GF | Fund balance - Unreserved | | 9,246.50 |
| To close out prior year unrealized gains & losses and adjust equity to actual | | | | | |
| 2 | 6/30/2025 | 4053 GF | Permanent Fund Interest and Dividends | 237.08 | |
| 2 | 6/30/2025 | 1155 GF | Accrued Interest | | 200.16 |
| 2 | 6/30/2025 | 3000 GF | Fund Balance - Reserved | | 36.92 |
| To record prior year accrued interest entry not made by client & to adjust accrued interest to actual for permanent fund | | | | | |
| 3 | 6/30/2025 | 4600 GF | Interest Revenue | 24,504.30 | |
| 3 | 6/30/2025 | 4053 GF | Permanent Fund Interest and Dividends | | 24,504.30 |
| To reclass permanent fund interest | | | | | |
| 4 | 6/30/2025 | 1150 GF | Cash in bank - Ehlers Inves | 58,393.74 | |
| 4 | 6/30/2025 | 1153 GF | Bonds - Ehlers Inves | 752,014.70 | |
| 4 | 6/30/2025 | 1730 GF | Investments-Pershing Advisors | | 810,408.44 |
| To reclass cash from investments | | | | | |
| 6 | 6/30/2025 | 4000 GF | Property Tax Revenue | 2,373,014.99 | |
| 6 | 6/30/2025 | 4010 GF | Tax distributions | | 2,373,014.99 |
| 6 | 6/30/2025 | 4010 GF | Tax distributions | 778,373.16 | |
| 6 | 6/30/2025 | 4011 GF | Bldg & equip prop tax | | 108,274.91 |
| 6 | 6/30/2025 | 4012 GF | IMRF prop tax | | 144,365.67 |
| 6 | 6/30/2025 | 4013 GF | Audit prop tax | | 12,031.10 |
| 6 | 6/30/2025 | 4014 GF | Liability ins. prop tax | | 379,563.08 |
| 6 | 6/30/2025 | 4015 GF | Social security prop tax | | 107,672.73 |
| 6 | 6/30/2025 | 4016 GF | Series 2013 Bond prop tax | | 111,283.29 |
| 6 | 6/30/2025 | 1110 GF | Taxes receivable | 176,884.41 | |
| 6 | 6/30/2025 | 2320 GF | Unavailable property taxes | | 92,066.79 |
| 6 | 6/30/2025 | 4100 GF | Mobile Home Property Tax Revenue | 411.06 | |
| 6 | 6/30/2025 | 4091 GF | Mobil home taxes - retirement | | 411.06 |
| 6 | 6/30/2025 | 4600 GF | Interest Revenue | 16.73 | |
| 6 | 6/30/2025 | 4051 GF | Investment interest - Retire Prop Tax. | | 16.73 |
| To adjust property tax receivable & deferred revenue to actual | | | | | |

Six Mile Regional Library
Year End: June 30, 2025
Adjusting Journal Entries
12855
Date: 7/1/2024 To 6/30/2025

| Prepared by | Reviewed by | A and A | Principal |
|-------------|-------------|---------|------------------|
| | | | RMK 1/26/2026 |

AJE-1

| Number | Date | Account No | Name | Debit | Credit |
|--|-----------|------------|--------------------------|---------------------|---------------------|
| 14 | 6/30/2025 | 8600 GF | Debt Service - Principal | 5,041.10 | |
| 14 | 6/30/2025 | 8700 GF | Debt Service - Interest | | 5,041.10 |
| 14 | 6/30/2025 | 8600 GF | Debt Service - Principal | 201.12 | |
| 14 | 6/30/2025 | 8700 GF | Debt Service - Interest | | 201.12 |
| To reclassify principal out of the interest account and into the correct account | | | | | |
| 19 | 6/30/2025 | 6740 GF | Office Supplies Expenses | 14.24 | |
| 19 | 6/30/2025 | 3000 GF | Fund Balance - Reserved | | 14.24 |
| To adjust fund balance to equal prior year financial statements | | | | | |
| | | | | 4,198,353.13 | 4,198,353.13 |

Net Income (Loss) 461,578.80

Six Mile Regional Library District: General Fund

Year End: June 30, 2025
 Adjusting Journal entries
 Date: 7/1/2024 To 6/30/2025

| | | | |
|------------------|-------------|---------|-----------------|
| Prepared by | Reviewed by | A and A | Principal |
| BJM 2/14/2026 | | | RMK 2/5/2026 |

3400

| Number | Date | Name | Account No | Reference | Annotation | Debit | Credit | Recurrence | Misstatement |
|--------|-----------|-------------------------------|--------------------------|-----------|------------|-------------------|------------------|------------|--------------|
| 18 | 6/30/2025 | ROU Asset | 1450 GF | | | 5,100.00 | | | |
| 18 | 6/30/2025 | ROU Asset | 1450 GF | | | 6,817.00 | | | |
| 18 | 6/30/2025 | Lease Liability | 2250 GF | | | | 5,363.00 | | |
| 18 | 6/30/2025 | Lease Liability | 2250 GF | | | | 6,886.00 | | |
| 18 | 6/30/2025 | Rental/service agreement | 5218 GF | | | | 3,600.00 | | |
| 18 | 6/30/2025 | Rental/service agreement | 5218 GF | | | | 1,980.00 | | |
| 18 | 6/30/2025 | Rental/service agreement | 5218 GF | | | | 1,680.00 | | |
| 18 | 6/30/2025 | Amortization Expense - Leases | 5360 GF | | | 3,257.00 | | | |
| 18 | 6/30/2025 | Amortization Expense - Leases | 5360 GF | | | 1,749.00 | | | |
| 18 | 6/30/2025 | Amortization Expense - Leases | 5360 GF | | | 757.00 | | | |
| 18 | 6/30/2025 | Interest Expense - Leases | 8710 GF | | | 343.00 | | | |
| 18 | 6/30/2025 | Interest Expense - Leases | 8710 GF | | | 494.00 | | | |
| 18 | 6/30/2025 | Interest Expense - Leases | 8710 GF | | | 992.00 | | | |
| | | PAJE regarding copier lease | | | | | | | |
| | | | | | | 19,509.00 | 19,509.00 | | |
| | | | Net Income (Loss) | | | 461,246.80 | | | |