

**MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS**

ANNUAL FINANCIAL REPORT

June 30, 2022

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

The President and Board of Trustees
Mt. Zion District Library
Mt. Zion, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Mt. Zion District Library as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Mt. Zion District Library's 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 modified cash basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Mt. Zion District Library as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1A.

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 Mt. Zion District Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter-Basis of Accounting

We draw attention to Note 1A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting

The President and Board of Trustees
Mt. Zion District Library
Page Two

described in Note 1A, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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

The President and Board of Trustees
Mt. Zion District Library
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We are required to communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mt. Zion District Library's financial statements. The schedules listed as "supplementary information" and "other information (unaudited)" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

Supplementary Information

The schedules listed as "supplementary information" are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed as "supplementary information" are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Information (Unaudited)

The schedules listed as "other information (unaudited)" in the table of contents have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

McGuire, Yuhas, Huffman & Buckley, P.C.
MCGUIRE, YUHAS, HUFFMAN & BUCKLEY, P.C.

Decatur, Illinois
February 14, 2023

MT. ZION DISTRICT LIBRARY

STATEMENT OF NET POSITION
MODIFIED CASH BASIS

June 30, 2022

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 351,741
Certificates of Deposit	365,710
Total Current Assets	<u>717,451</u>
Investments	<u>154,290</u>
Non Current Assets	
Property, Plant and Equipment	2,970,574
Less Accumulated Depreciation	<u>(2,088,452)</u>
Net Property, Plant and Equipment	<u>882,122</u>
TOTAL ASSETS	<u>1,753,863</u>
LIABILITIES	
Current Liabilities	
Payroll Liabilities	<u>1,632</u>
TOTAL LIABILITIES	<u>1,632</u>
Net Investment in Capital Assets	882,122
Restricted for:	
Audit	12,624
Building	26
Working Cash	589,532
Insurance and Liability	30,116
IMRF	71,067
Social Security	56,518
Unrestricted	<u>110,226</u>
TOTAL NET POSITION	<u>\$ 1,752,231</u>

Notes to Financial Statements are an integral part of this statement.

MT. ZION DISTRICT LIBRARY

STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Primary
		Charges for Services	Operating Grants and Contributions	Government Net (Expense) Revenue
Governmental Activities:				
Current:				
General Government	\$ 116,070	\$	\$	\$ (116,070)
Culture and Recreation	520,940	6,399	31,760	(482,781)
Total Governmental Activities	<u>637,010</u>	<u>6,399</u>	<u>31,760</u>	<u>(598,851)</u>
General Revenues				
Taxes - Property				566,875
- Replacement Tax				22,495
Interest				10,305
Other				1,009
Total General Revenues				<u>600,684</u>
Changes in Net Position				1,833
Net Position, July 1, 2021				<u>1,750,398</u>
Net Position, June 30, 2022				<u>\$ 1,752,231</u>

Notes to Financial Statements are an integral part of this statement.

MT. ZION DISTRICT LIBRARY

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS

June 30, 2022

	General Fund	Building Fund	Working Cash	IMRF	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 106,677	\$ 28,193	\$ 45,706	\$ 71,907	\$ 99,258	\$ 351,741
Certificates of Deposit			520,000			520,000
Due from Other Funds	19,059		23,826			42,885
TOTAL ASSETS	\$ 125,736	\$ 28,193	\$ 589,532	\$ 71,907	\$ 99,258	\$ 914,626
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Payroll Liabilities	\$ 792			\$ 840		\$ 1,632
Due to Other Funds		42,885				42,885
TOTAL LIABILITIES	792	42,885	-	840	-	44,517
FUND BALANCES						
Nonspendable						-
Restricted		26	589,532	71,067	99,258	759,883
Committed	50,277					50,277
Assigned						-
Unassigned	74,667	(14,718)				59,949
TOTAL FUND BALANCES	124,944	(14,692)	589,532	71,067	99,258	870,109
TOTAL LIABILITIES AND FUND BALANCES	\$ 125,736	\$ 28,193	\$ 589,532	\$ 71,907	\$ 99,258	\$ 914,626

Notes to Financial Statements are an integral part of this statement.

MT. ZION DISTRICT LIBRARY

RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
MODIFIED CASH BASIS

June 30, 2022

Total Fund Balance - Total Governmental Funds	\$ 870,109
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets of \$2,970,574 net of accumulated depreciation of (\$2,088,452), are not financial resources and therefore, are not reported in the funds:

882,122

Net Position of Governmental Activities	\$ <u><u>1,752,231</u></u>
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Notes to Financial Statements are an integral part of this statement.

MT. ZION DISTRICT LIBRARY

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS

For the Year Ended June 30, 2022

	General Fund	Building Fund	Working Cash	IMRF	Non-Major Governmental Funds	Total Governmental Funds
Revenues Received:						
Taxes - Property	\$ 400,843	\$ 53,446	\$	\$ 29,877	\$ 82,709	\$ 566,875
- Replacement Tax	22,495					22,495
Grants	31,097					31,097
Interest	85	22	10,093	44	61	10,305
Fines, Copies, Fees and Fax	6,399					6,399
Donations	663					663
Other	1,009					1,009
Total Revenues Received	462,591	53,468	10,093	29,921	82,770	638,843
Expenditures:						
Current:						
General Government	1,903			41,779	72,388	116,070
Culture and Recreation	384,702	33,278				417,980
Capital Outlay	50,976	41,328				92,304
Total Expenditures	437,581	74,606	-	41,779	72,388	626,354
Excess of Revenues Received Over Expenditures Disbursed	25,010	(21,138)	10,093	(11,858)	10,382	12,489
Other Financing Sources (Uses)						
Operating Transfer	40,400		(40,400)			-
Net Change in Fund Balance	65,410	(21,138)	(30,307)	(11,858)	10,382	12,489
Fund Balances - Beginning of Year	59,534	6,446	619,839	82,925	88,876	857,620
Fund Balances - End of Year	\$ 124,944	\$ (14,692)	\$ 589,532	\$ 71,067	\$ 99,258	\$ 870,109

Notes to Financial Statements are an integral part of this statement.

MT. ZION DISTRICT LIBRARY

RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED,
EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

MODIFIED CASH BASIS

June 30, 2022

Net Change in Fund Balance - Total Governmental Funds \$ 12,489

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

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the costs of assets
capitalized according to the District Library's capitalization
policy are allocated over their estimated useful lives and
reported as depreciation expense:

Capital outlay expenditures reclassified to capital assets	92,304
Depreciation	(102,960)
Change in Net Position of Governmental Activities	\$ <u>1,833</u>

Notes to Financial Statements are an integral part of this statement.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 1 Significant accounting policies followed by the District Library are as follows

A. Measurement Focus and Basis of Accounting -

The government-wide financial statements are prepared using the economic resources management focus, which measures both financial and capital resources. The governmental fund financial statements are prepared using the current financial resource measurement focus, which is based on the concept of financial accountability. Therefore, due to the differences in measurement focuses, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District Library maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. Accordingly, the statements do not present financial position or results of operations in accordance with generally accepted accounting principles.

The District Library has opted to recognize property taxes by budget year. All property taxes received during the fiscal year ended June 30, 2022 were for the budget year ended June 30, 2022.

All investments are carried at cost, which approximates market, unless otherwise noted.

B. Capital Assets -

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 1 Significant accounting policies followed by the District Library are as follows - (Continued)

B. Capital Assets - (Continued)

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position - Modified Cash Basis. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Capital assets acquired by the District Library through noncash transactions have not been recorded in the Statement of Net Position - Modified Cash Basis.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities - Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position - Modified Cash Basis.

Depreciation is charged within the Culture and Recreation Function in the Statement of Activities - Modified Cash Basis. The governmental funds capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Buildings	39 years
Building Improvements	15 years
Furniture and Equipment	3-7 years

The District Library has designated a capitalization threshold minimum of \$1,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Fund Financial Statements

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

C. Reporting Entity -

In evaluating how to define the District Library, for financial reporting purposes, the District Library's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the District Library's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 1 Significant accounting policies followed by the District Library are as follows - (Continued)

C. Reporting Entity - (Continued)

selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the District Library and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships; regardless of whether the District Library is able to exercise oversight responsibilities.

Based upon the application of the above criteria, no component units exist.

D. Basis of Presentation -

The following represents the District Library's basis of financial statement presentation based on the GASB 34 format.

Governmental-Wide Financial Statements

The Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis display information about the District Library as a whole. They include all funds of the District Library except for fiduciary funds and component units that are fiduciary in nature. All of the activities of the District Library are classified as governmental type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Mt. Zion District Library's funds are all considered governmental funds. The District Library presently has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is either the General Fund or if it meets the following criteria:

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 1 Significant accounting policies followed by the District Library are as follows - (Continued)

D. Basis of Presentation - (Continued)

Fund Financial Statements - (Continued)

Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

Total assets plus deferred outflows of resources, liabilities plus deferred inflows, revenues, or expenditures of that individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

Governmental funds are those through which most governmental functions of the District Library are financed. The acquisition, use and balances of the District Library's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes property taxes for general corporate purposes, as well as other taxes and grants. The General Fund also includes amounts committed to a special reserve as described in Note 10.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for cash received from specific sources. The expenditures in excess of the amounts received for these special revenue funds become an obligation of the General Fund.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 1 Significant accounting policies followed by the District Library are as follows - (Continued)

D. Basis of Presentation - (Continued)

Governmental Funds - (Continued)

SPECIAL REVENUE FUNDS - (Continued)

<u>Fund</u>	<u>Brief Description</u>
Building Fund	Accounts for revenues collected from the library building portion of the property tax levies restricted for maintenance and repair of major capital facilities and for the construction and equipment of buildings. The Building Fund also includes a special reserve as described in Note 10.
Working Cash Fund	Accounts for revenues collected from the working cash portion of the property tax levies restricted for transfers for cash management purposes.
Insurance and Liability Fund	Accounts for revenues collected from the tort portion of the property tax levies, restricted to paying the District Library's liability insurance coverage and risk management expenses.
Audit Fund	Accounts for revenues collected from the audit portion of the property tax levies, restricted to paying the District Library's audit.
IMRF Fund	Accounts for revenues collected from the IMRF portion of the property tax levies, restricted to paying the District Library's retirement contributions.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 1 Significant accounting policies followed by the District Library are as follows - (Continued)

D. Basis of Presentation - (Continued)

Governmental Funds - (Continued)

SPECIAL REVENUE FUNDS - (Continued)

<u>Fund</u>	<u>Brief Description</u>
Social Security Fund	Accounts for revenues collected from the social security portion of the property tax levies, restricted to paying the District Library's social security taxes.

The funds are classified as Major and Non-Major as follows:

<u>Major Funds</u>	<u>Non-Major Funds</u>
General Fund	Insurance and Liability Fund
Building Fund	Audit Fund
Working Cash Fund	Social Security Fund
IMRF Fund	

E. Budget and Appropriation Ordinance and Budgetary Accounting -

The budget and appropriation ordinance has been prepared for all funds on the cash basis of accounting, which is similar to the modified cash basis used in financial reporting. This allows for comparability between budget and actual amounts. Public Hearings are conducted through June and July to obtain taxpayer comments on the budget and appropriations. The budget and appropriation ordinance is required to be prepared in the first quarter of each fiscal year and no later than the fourth Tuesday of September. The budget and appropriation ordinances for the District Library were passed on August 10, 2021.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. Transfers from one appropriation of any amount specified for any object and purpose, not affecting the total amount appropriated, may be made at any meeting of the Board of Trustees by an ordinance to meet an immediate and unforeseen

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 1 Significant accounting policies followed by the District Library are as follows - (Continued)

E. Budget and Appropriation Ordinance and Budgetary Accounting -
(Continued)

emergency. The budget lapses at the end of each fiscal year. Total expenditures did not exceed total appropriations in any funds for the year ended June 30, 2022.

F. Priority for Use of Restricted and Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is the District Library's practice to use restricted resources first, then unrestricted resources as needed.

G. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments. The carrying values of cash and cash equivalents approximate fair values.

H. Investments

Investments include certificates of deposit with original maturities greater than one year.

I. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

J. Program Revenues

In the Statement of Activities - Modified Cash Basis, revenues that are derived directly from each activity or from parties outside the District Library's taxpayers are reported as program revenues. The District Library's program revenues consist of fines and other charges for services as well as operating grants and contributions.

K. Internal and Interfund Balances and Activities

If any interfund activity occurs or balances exist in the fund financial statements, they are eliminated or reclassified in the process of aggregating the financial information for the government-wide Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 1 Significant accounting policies followed by the District Library are as follows - (Continued)

L. Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

The District Library follows GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position which was effective for audits of periods beginning after November 15, 2011. A deferred outflow of resources represents the consumption of a government's net assets that is applicable to a future period. A deferred inflow of resources represents the acquisition of net assets that is applicable to a future reporting period. Deferred outflows of resources are reported in a separate section of the Statement of Net Position - Modified Cash Basis following assets. Deferred inflows of resources are reported in a separate section of the Statement of Net Position - Modified Cash Basis following liabilities. As of June 30, 2022, the District Library had not engaged in any transactions which qualified for reporting as a deferred outflow of resources or deferred inflow of resources.

Note 2. Property Taxes

The District Library's property tax is levied each year on all taxable real property located in the District Library on or before the last Tuesday in December. The 2020 levy was passed by the Board on September 8, 2020. The 2021 levy was passed by the board on September 14, 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in June and September. The District Library receives significant distributions of tax receipts approximately within one to two months after these due dates. Property taxes are recognized by budget year. Tax revenue recorded in these financial statements is from the 2020 tax levy.

The following are the tax rates applicable to the various levies per \$100.00 of assessed valuation:

	Maximum	Actual	
	2021 Levy	2020 Levy	2021 Levy
	-----	-----	-----
Corporate	.1500	.15000	.15000
IMRF		.01118	.01101
Audit	.0050	.00373	.00404
Tort/Liability		.01864	.02569
Social Security		.00858	.00367
Library Building	.0200	.02000	.02000
		-----	-----
Total		.21213	.21441
		=====	=====

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 3 Accrued Vacation/Leave

Due to the District Library reporting on the modified cash basis of accounting, no accrual has been made for employees' vacation/leave.

Note 4 Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Deficit fund balances of individual funds. The Building Fund had a deficit fund balance of \$14,692 as of June 30, 2022.
- B. Individual fund interfund receivable and payable balances. The Working Cash Fund loaned \$23,826 to the Building Fund for the purpose of paying a down payment on the digital sign. General Fund loaned \$19,059 to the Building Fund for the purpose of making a payment on the new sign. The following table outlines all interfund receivables:

	Due from Building

Due to Working Cash	\$ 23,826
Due to General	19,059

	\$ 42,885
	=====

- C. Interfund transfers. Interfund transfers of \$40,400 were made during the fiscal year ended June 30, 2022 from the Working Cash Fund to the General Fund. Of this amount, \$40,000 was for the purpose of covering initial expenses for the fiscal year ending June 30, 2023, and \$400 was for the purpose of transferring interest earned on a certificate of deposit.

Note 5 Illinois Municipal Retirement Fund

IMRF Plan Description

The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-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.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 5 Illinois Municipal Retirement Fund - (Continued)

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

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

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 5 Illinois Municipal Retirement Fund - (Continued)

Employees Covered by Benefit Terms

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

Retirees and beneficiaries	8
Inactive, non-retired members	3
Active members	6
	--
Total	17
	==

Contributions

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2021 was 4.92%. For the calendar year ended December 31, 2021, the employer contributed \$42,684 to the plan. The actual contributions paid during the fiscal year ended June 30, 2022 were \$41,779, including a \$30,000 lump sum payment for previously unfunded liability. The employer 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/Pension Expenditures

The District Library's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. No amount has been recorded on these financial statements due to the modified cash basis of accounting.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 6 Deposits and Investments

The District Library maintains various checking accounts to account for all funds. Each fund's portion of these accounts is displayed on the Statement of Assets, Liabilities and Fund Balances - Governmental Funds - Modified Cash Basis. The District Library is allowed to invest in securities authorized by State statute, section 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6). The District Library has not formally adopted deposit and investment policies that limit its allowable deposits or investments. The District Library currently only invests in certificates of deposit, which are considered interest bearing time deposits, at federally insured financial institutions.

The District Library does not have policies regarding credit risk, custodial credit risk or concentration of credit risk.

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the District Library's deposits and investments may not be returned or the District Library will not be able to recover collateral securities in the possession of an outside party. Demand deposits of \$18,924 are completely covered by federal insurance. Bank balances of time deposits, including NOW accounts, savings accounts, and certificates of deposit of the District Library totaling \$859,764 are federally insured up to \$500,000. \$358,629 is collateralized by the pledging institutions trust department or agent but not in the District Library's name, and \$1,135 is uninsured and uncollateralized.

As of June 30, 2022 the District Library had the following deposits and investments:

Types of Deposits/ Investments	Fair Value	Cost	Average Credit Quality Ratings (1)
Demand Deposits	\$ 18,924	\$ 18,924	N/A
NOW (Negotiable Order of Withdrawal) Accounts	243,169	243,169	N/A
Savings Deposits	96,595	96,595	N/A
Certificates of Deposit	520,000	520,000	N/A
Total	\$ 878,688	\$ 878,688	

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 6 Deposits and Investments - (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the District Library's investing activities are managed by the District Library Board of Trustees.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District Library uses the specific identification method of managing interest rate risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District Library's investment in a single issuer. \$627,552 of the District Library's deposits and investments are on deposit at Prairie State Bank & Trust. These deposits and investments are insured or collateralized by FFCB mortgages held by the financial institution's trust department or agent but not in the District Library's name as security for deposits exceeding the total \$250,000 FDIC insured limit. \$251,135 of the District Library's deposits and investments are on deposit at CEFCU and are federally insured up to \$250,000. The remaining \$1,135 is uninsured and uncollateralized. External investment pools are excluded when assessing concentration of credit risk.

Note 7 Risks

The District Library is subject to various risks including property, liability and workman's compensation and other programs.

Significant losses are covered by commercial insurance for the property, liability and workmen's compensation with the District Library retaining the risk of loss on the uninsured portion. For the insured programs, there have been no significant reductions in coverage. Settlement amounts have not exceeded insurance coverage for the current or prior three years.

Note 8 Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of each classification.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 8 Fund Balance Reporting - (Continued)

A. Nonspendable Fund Balance (Continued)

amounts. Due to the modified cash basis nature of the District Library, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

C. Committed Fund Balance

The Committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Library Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The Library Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

As of June 30, 2022, the Library Board had committed General Fund balances of \$50,277 for the purpose of expanding and improving library services.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. The Library Board has the authority to assign amounts to be used for specific purposes.

The Library Board had not assigned any fund balances as of June 30, 2022.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 8 Fund Balance Reporting - (Continued)

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified. A formal fund balance policy was first adopted in March 2017 and is reaffirmed each year.

Note 9 Capital Assets - Governmental Activities

The breakdown of capital assets by type and the related accumulated depreciation for the Governmental Activities is as follows:

	Beginning -----	Additions -----	Deletions -----	Ending -----
Capital Assets:				
Land	\$ 21,500			\$ 21,500
Buildings	1,449,428			1,449,428
Other Improvements	70,558	\$ 12,336		82,894
Library Equipment	1,336,784	79,968		1,416,752
	-----	-----	-----	-----
Total	\$ 2,878,270	\$ 92,304	\$ 0	\$ 2,970,574
	=====	=====	=====	=====
	Beginning -----	Additions -----	Deletions -----	Ending -----
Accumulated Depreciation:				
Buildings	\$ 844,843	\$ 37,165		\$ 882,008
Other Improvements	35,739	4,761		40,500
Library Equipment	1,104,910	61,034		1,165,944
	-----	-----	-----	-----
Total	\$ 1,985,492	\$ 102,960	\$ 0	\$ 2,088,452
	=====	=====	=====	=====
Ending Book Value				\$ 882,122
				=====

Total depreciation for all governmental activities' assets amounted to \$102,960 for the current year, all of which was charged to the Culture and Recreation function.

Land is a non-depreciating capital asset.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 10 Special Reserves

The plan and purpose of the special reserve account is to expand and improve library services by the development of a modern comprehensive library facility through expert studies and/or consultation, remodeling, repairing, improving or addition to existing facilities or for the purpose of necessary equipment and materials for or in anticipation of such.

The Library Board has authority to authorize stabilization arrangements (rainy day funds), additions to such, and the conditions under which stabilization amounts may be spent.

Note 11 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that must be used to measure fair value:

- Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability to which the government has access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

As of June 30, 2022, the District Library does not have any financial or nonfinancial assets or liabilities measured at fair market value on a recurring or non-recurring basis.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(Continued)

Note 12 Intergovernmental Agreement and Commitments

The District Library entered into an intergovernmental agreement with the Village of Mt. Zion, Illinois, during the fiscal year ended June 30, 2021. The District Library may request TIF funding from the Village of Mt. Zion for TIF eligible costs. On June 21, 2021, the District Library entered into an agreement with the Village of Mt. Zion for the Village to pay to the District Library from the TIF District \$36,000 or 75% of verified capital costs incurred by the District Library, whichever is less, for the purchase and construction of a digital sign and community information board. On May 21, 2021 the District Library entered into an agreement for sign construction in the amount of \$47,650. The District Library made a down payment of \$23,826 on the sign in June 2021, and paid the balance due during the fiscal year ended June 30, 2022. The District Library expects to receive funds from the Village of Mt. Zion in July or August 2023.

SUPPLEMENTARY INFORMATION

MT. ZION DISTRICT LIBRARY

Schedule of Assets, Liabilities, and Fund Balances
Modified Cash Basis

Major Funds

June 30, 2022

ASSETS	General Fund		Building Fund		Working Cash	IMRF
	Corporate Operating	Special Reserve	General Building	Special Reserve		
Cash	\$ 56,400	\$ 50,277	\$ 28,167	\$ 26	\$ 45,706	\$ 71,907
Certificates of Deposit					520,000	
Due from Other Funds	19,059				23,826	
TOTAL ASSETS	\$ 75,459	\$ 50,277	\$ 28,167	\$ 26	\$ 589,532	\$ 71,907
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Payroll Liabilities	\$ 792	\$	\$	\$	\$	\$ 840
Due to Other Funds			42,885			
TOTAL LIABILITIES	792	-	42,885	-	-	840
FUND BALANCES						
Nonspendable						
Restricted				26	589,532	71,067
Committed		50,277				
Assigned						
Unassigned	74,667		(14,718)			
TOTAL FUND BALANCES	74,667	50,277	(14,718)	26	589,532	71,067
TOTAL LIABILITIES AND FUND BALANCES	\$ 75,459	\$ 50,277	\$ 28,167	\$ 26	\$ 589,532	\$ 71,907

MT. ZION DISTRICT LIBRARY

Schedule of Revenues Received, Expenditures Disbursed
And Changes in Fund Balances - Modified Cash Basis

Major Funds

For the Year Ended June 30, 2022

	General Fund		Building Fund		Working Cash	IMRF
	Corporate Operating	Special Reserve	General Building	Special Reserve		
Revenues Received:						
Taxes - Property	\$ 400,843	\$	\$ 53,446	\$	\$	\$ 29,877
- Replacement Tax	22,495					
Grants	31,097					
Interest	60	25	22		10,093	44
Fines, Copies, Fees and Fax	6,399					
Donations	663					
Other	1,009					
Total Revenues Received	462,566	25	53,468	-	10,093	29,921
Expenditures:						
Current:						
General Government	1,903		-			41,779
Culture and Recreation	384,702		33,278			
Capital Outlay	50,976		41,328			
Total Expenditures	437,581	-	74,606	-	-	41,779
Excess of Revenues Received Over Expenditures Disbursed	24,985	25	(21,138)	-	10,093	(11,858)
Other Financing Sources(Uses)						
Operating Transfer	40,400				(40,400)	
Net Change in Fund Balance	65,385	25	(21,138)	-	(30,307)	(11,858)
Fund Balances - Beginning of Year	9,282	50,252	6,420	26	619,839	82,925
Fund Balances - End of Year	\$ 74,667	\$ 50,277	\$ (14,718)	\$ 26	\$ 589,532	\$ 71,067

MT. ZION DISTRICT LIBRARY

Schedule of Expenditures Disbursed - Modified Cash Basis

Major Funds

July 1, 2021 through June 30, 2022

	General Fund		Building Fund		Working Cash	IMRF
	Corporate Operating	Special Reserve	General Building	Special Reserve		
Current:						
General Government						
Legal Fees	\$ 1,903	\$	\$	\$	\$	
IMRF						41,779
Total General Government	1,903	-	-	-	-	41,779
Culture and Recreation						
Building/Other Maintenance			33,278			
Computer Maintenance	4,085					
Contractual Services	20,688					
Copier Services & Supplies	835					
Electronic Databases	15,205					
General Books Fund-eBooks	3,850					
Health Insurance	54,438					
Miscellaneous	894					
Printing, Publicity, Advertising & Postage	1,229					
Programming	7,931					
Salaries	250,898					
Supplies	6,132					
Telephone & Utilities	15,917					
Travel	1,386					
Workshops/Conferences	1,214					
Total Culture and Recreation	384,702	-	33,278	-	-	-
Capital Outlay						
Audio Visual	5,383					
General Books Fund	44,121					
Pamphlets/Periodicals	1,472					
Library Equipment			28,992			
Library Improvements			12,336			
Total Capital Outlay	50,976	-	41,328	-	-	-
Total Expenditures	\$ 437,581	\$ -	\$ 74,606	\$ -	\$ -	\$ 41,779

MT. ZION DISTRICT LIBRARY

Combining Schedule of Assets, Liabilities, and Fund Balances
Modified Cash Basis

Aggregate Non-Major Special Revenue Funds

June 30, 2022

	<u>Insurance and Liability</u>	<u>Audit</u>	<u>Social Security</u>	<u>Total Non- Major Governmental Funds</u>
ASSETS				
Cash	\$ 30,116	\$ 12,624	\$ 56,518	\$ 99,258
TOTAL ASSETS	\$ 30,116	\$ 12,624	\$ 56,518	\$ 99,258
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Liabilities	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable				-
Restricted	30,116	12,624	56,518	99,258
Committed				-
Assigned				-
Unassigned				-
TOTAL FUND BALANCES	30,116	12,624	56,518	99,258
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,116	\$ 12,624	\$ 56,518	\$ 99,258

MT. ZION DISTRICT LIBRARY

Combining Schedule of Revenues Received, Expenditures Disbursed
And Changes in Fund Balances - Modified Cash Basis

Aggregate Non-Major Special Revenue Funds

For the Year Ended June 30, 2022

	<u>Insurance and Liability</u>	<u>Audit</u>	<u>Social Security</u>	<u>Total Non- Major Governmental Funds</u>
Revenues Received:				
Taxes - Property	\$ 49,812	\$ 9,969	\$ 22,928	\$ 82,709
Interest	<u>22</u>	<u>7</u>	<u>32</u>	<u>61</u>
Total Revenues Received	<u>49,834</u>	<u>9,976</u>	<u>22,960</u>	<u>82,770</u>
Expenditures:				
Current:				
General Government				
Insurance and Liability	42,397			42,397
Audit		9,100		9,100
Social Security Tax			20,891	20,891
Total Current General Government	<u>42,397</u>	<u>9,100</u>	<u>20,891</u>	<u>72,388</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Expenditures	<u>42,397</u>	<u>9,100</u>	<u>20,891</u>	<u>72,388</u>
Excess of Revenues Received Over Expenditures Disbursed	7,437	876	2,069	10,382
Fund Balances - Beginning of Year	<u>22,679</u>	<u>11,748</u>	<u>54,449</u>	<u>88,876</u>
Fund Balances - End of Year	<u>\$ 30,116</u>	<u>\$ 12,624</u>	<u>\$ 56,518</u>	<u>\$ 99,258</u>

OTHER INFORMATION (UNAUDITED)

MT. ZION DISTRICT LIBRARY

SCHEDULE OF EXPENDITURES DISBURSED - MODIFIED CASH BASIS
 BUDGET COMPARED TO ACTUAL
 For the Year Ended June 30, 2022
 (UNAUDITED)

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
General Fund	\$ 545,700	\$ 437,581	\$ (108,119)
Building Fund	80,000	74,606	(5,394)
Working Cash	-	-	-
IMRF	50,000	41,779	(8,221)
Insurance and Liability	70,000	42,397	(27,603)
Audit Fund	11,000	9,100	(1,900)
Social Security	25,000	20,891	(4,109)
Total Expenditures Disbursed	\$ 781,700	\$ 626,354	\$ (155,346)

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022
(UNAUDITED)

Our discussion and analysis of the Mt. Zion District Library's financial performance provides an overview of the District Library's financial activities for the fiscal year ended June 30, 2022, within the limitations of the District Library's modified cash basis of accounting. Please read it with the District Library's financial statements that begin on page 4.

FINANCIAL HIGHLIGHTS

The District Library's total revenues exceeded total expenses on the modified cash basis of accounting by \$1,833 for the year, resulting in an increase in total net assets of 0.10% over the previous year.

USING THE ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement Number 34, as applicable to the District Library's modified cash basis of accounting.

REPORT COMPONENTS

This annual report consists of three parts as follows:

Government-wide Financial Statements: The Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis (on pages 4 and 5) provide information about the activities of the District Library's government-wide (or "as a whole") and present a longer-term view of the District Library's finances.

Fund Financial Statements: Fund financial statements (starting on page 6) focus on the individual parts of the District Library's government. Fund financial statements also report on the District Library's operations in more detail than the government-wide statements. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Notes to the Financial Statements: The notes to the financial statements (starting on page 10) are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

The District Library has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing of recognizing revenues, expenses, and their related assets and liabilities and are recorded when they result from cash transactions, except for the recording of depreciation on capital assets in the government-wide financial statements for all activities.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

BASIS OF ACCOUNTING

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

REPORTING THE DISTRICT LIBRARY AS A WHOLE

Government-wide Financial Statements: The annual report includes all activities for which the District Library is fiscally responsible. The government-wide financial statements are presented on pages 4 and 5. One of the most important questions asked about the District Library's finances is, "Is the District Library as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis report information about the District Library as a whole and about its activities in a way that helps answer this question. These statements include all of the District Library's assets and liabilities resulting from the use of the modified cash basis of accounting.

The two statements report the District Library's net assets and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the District Library's net assets (the difference between assets and liabilities) as one way to measure the District Library's financial health or financial position. Over time, increases or decreases in the District Library's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as the quality of services provided and changes in the District Library's client base, to assess the overall health of the District Library.

Fund Financial Statements: The fund financial statements begin on page 6 and provide detailed information about the funds. The General Fund, Building Fund, Working Cash Fund, IMRF Fund, and Other Non-Major Governmental Funds are funds that the District Library maintains.

Government Funds - All of the District Library's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances at year-end that are available for spending. These funds report the acquisitions of capital assets as expenditures and not as changes to asset balances. The governmental fund statements provide a detailed short-term view of the District Library's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes in fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the District Library's programs. We

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

REPORTING THE DISTRICT LIBRARY AS A WHOLE (Continued)

describe the relationship (or differences) between governmental activities (reported in the Statement of Activities - Modified Cash Basis) and governmental funds in reconciliations on pages 7 and 9.

The District Library currently has no proprietary funds or fiduciary funds.

A FINANCIAL ANALYSIS OF THE DISTRICT LIBRARY AS A WHOLE

Net Assets - Modified Cash Basis: The District Library's net assets were \$1,752,231 at June 30, 2022. Of this amount \$110,226 was unrestricted. Restricted net assets of \$759,883 are reported separately to show the amount that the District Library is required to use for specific purposes, which limits the District Library's ability to use those assets for day-to-day operations. The remaining net assets of \$882,122 is the amount that is invested in capital assets such as land, buildings, and equipment, net of related debt.

Our analysis below focuses on net assets and change in net assets of the District Library's governmental activities.

	Net Assets	
	June 30, 2022	June 30, 2021
	-----	-----
Current assets	\$ 717,451	\$ 597,230
Investments	154,290	262,219
Capital assets	882,122	892,778
	-----	-----
Total Assets	1,753,863	1,752,227
	=====	=====
Current liabilities	1,632	1,829
Net assets	1,752,231	1,750,398
	-----	-----
	1,753,863	1,752,227
	=====	=====
Net investment in capital assets	882,122	892,778
Restricted	759,883	799,586
Unrestricted	110,226	58,034
	-----	-----
Total Net Assets	\$ 1,752,231	\$ 1,750,398
	=====	=====

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

A FINANCIAL ANALYSIS OF THE DISTRICT LIBRARY AS A WHOLE (Continued)

Changes in Net Assets - Modified Cash Basis: For the year ended June 30, 2022, net assets (resulting from modified cash basis transactions) changed as follows:

	Change in Net Assets For the Years ended	
	June 30, 2022	June 30, 2021
	-----	-----
Revenues:		
Program revenues:		
Charges for services	\$ 6,399	\$ 6,504
Grants and contributions	31,760	25,953
General revenues:		
Property taxes	566,875	546,069
Interest income	10,305	14,015
Personal property replacement tax	22,495	10,321
Other	1,009	2,137
Total Revenues	----- 638,843	----- 604,999
Expenses:		
General government	116,070	115,900
Culture and recreation	520,940	503,977
Total Expenses	----- 637,010	----- 619,877
Increase(Decrease) in Net Assets	----- \$ 1,833	----- \$ (14,878)
	=====	=====

Governmental Activities: To aid in the understanding of the Statement of Activities - Modified Cash Basis, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues Received, Expenditures Paid, and Changes in Fund Balances - Modified Cash Basis. You will notice that expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. This type of format highlights the relative financial burden of each of the functions on the District Library's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. All other governmental revenues are reported as general.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

A FINANCIAL ANALYSIS OF THE DISTRICT LIBRARY'S FUNDS

Governmental Funds: The focus of the District Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

At the end of the current fiscal year, the District Library's governmental funds had combined ending fund balances of \$870,109. Of this total, \$759,883 has been restricted due to external limitations on its use, and \$50,277 has been committed meaning that there are internal limitations on its intended use. Consequently, total unassigned fund balances were \$59,949.

General Fund Budgetary Highlights: The District Library operated within its budget for the year ended June 30, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At June 30, 2022, the District Library had \$882,122 net investment in capital assets. This represents a net decrease of \$10,656 or 1.2 percent, from last year. The decrease is due to assets being depreciated were greater than current year additions.

The District Library had no outstanding debt.

	Net Investment in Capital Assets	
	June 30, 2022	June 30, 2021
	-----	-----
Land	\$ 21,500	\$ 21,500
Buildings and improvements	609,814	639,404
Equipment	250,808	231,874
	-----	-----
Total Net Investment in Capital Assets	\$ 882,122	\$ 892,778
	=====	=====

This year's additions of \$92,304 included books, periodicals, audio/visual materials, the balance due on a new sign, equipment, and a fence.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

General

Since the start of the COVID-19 pandemic, this past year has been the most "normal". We were able to be open completely with regular hours for the entire year, minus one week in January 2022 where we had slightly reduced hours due to staff sickness. Since then, we have been able to be open at our regular hours every week.

Due to things going back to a more sense of normal, the District Library has been able to increase programming throughout the year. In summer 2022, the District Library brought back two programs, Toddlertime and Music and Movement, that have not been done since before COVID-19. Attendance at not only our Summer Reading Program, but also our monthly programs has gone up dramatically compared to the last two years. Youth Services Librarians still offer take-home craft kits for anyone who does not feel comfortable coming to in-person programs. Moving forward, our Youth Services Librarians are working to bring new programs to the District Library and community as a whole.

A new service we have added is offering a mobile library to a local preschool. Every three weeks, two staff members select children's books and take them to the local preschool where children are able to pick one book and check it out on the preschool's library account. We also leave a crate of books checked out on the school's account so that children can switch out their books throughout the three weeks. In the future, we would like to offer similar services to other preschools and even assisted living and nursing homes.

The District Library is also working on curating a "Library of Things", which is a collection of items other than the traditional materials of books, movies, etc. So far, we offer wi-fi hotspots, Roku streaming sticks, and Launchpads which are tablets pre-loaded with educational games for children. We are in the process of adding board games, cookie cutters, and more.

Building Costs and Updates

The District Library Board continues to carefully look at future expenses of the building due to its age and use.

As mentioned in past Management's Discussion and Analysis, the District Library uses 7 HVAC units. To date, four units have been replaced in lieu of costly repairs. The remaining units will need to be addressed in the next few years.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

Building Costs and Updates (continued)

The building celebrated 24 years in 2022 and even though not in bad condition, the carpeting throughout the building is showing signs of wear. New carpeting for the remainder of the building will most likely be completed within the next 1-2 years. Part of our plan for 2023 is to start pricing carpet and looking into what exactly we want.

Last winter we had some trouble with our air compressor which involved some leaks in the roof. Those leaks and issues were repaired, but sometime in the distant future, we may need to look at replacing more pipes throughout the ceiling.

Personnel

Personnel costs increase annually with cost-of-living increases and merit raises. The Strategic Plan includes adding services and materials and therefore staff, to meet the increased demand for library services and materials.

The state mandated minimum wage increase is a concern for the District Library and its financial future. The Director and Board are working on a plan that will meet the state's requirement and compensate current staff based on their merits and seniority all without cutting services, hours or benefits, and being financially sustainable for the District Library.

Throughout the last year, we've had slight turnover with part-time staff members. We just recently added an extra part-time position to help cover some of the hours that we were extremely short staffed. It will also give us another person that can fill in and cover when other staff members are out sick or on vacation.

Due to changes in the full-time staff members from 2021, our health insurance costs are continuing to drop. Our plan through Blue Cross Blue Shield was renewed at a rate that was 16.56% lower than this past year's rate, which means that when our plan renews in December 2022, the District Library will save \$8,522 throughout the next year, which will help offset the increases from cost-of-living and the minimum wage increase.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

Technology

The District Library continues its mission of being a source of information for the community. We provide public access to reliable, high speed computers with up-to-date software. Our public computers were updated this past summer with all staff and public computer CPUs being replaced and updated to Windows 10 and software updated to Microsoft 2019 products.

Fees for participating in our library system (Illinois Heartland) increase each year and need to be budgeted accordingly.

The District Library continues to offer digital content to its patrons and demand and usage continues to be strong. The District Library budgets approximately 10% of its materials budget for digital content, but is flexible allowing us to meet demand and take advantage of special offers. The District Library also participates in offering eBooks through Polaris (our circulation system) using Cloud Library. The District Library also offers digital magazines to its card holders. Costs for these services include those for content, membership fees, and training for staff to be able to help patrons to use the services.

Programming

Programming for all ages was increasing each year until the pandemic began in March 2020. Throughout the subsequent shut down, the District Library offered virtual storytimes and programs throughout the week. Once the District Library reopened in June 2020, all programming, including the annual Summer Reading Program, was virtual. Needless to say, attendance suffered as most in our community prefer in-person programs. The District Library was forced to rethink all of its programming adapting it to virtual presentations.

Starting in June 2021, with the start of the 2021 Summer Reading Program, the District Library was able to slowly start adding outdoor, in-person programming. We still offered some virtual programming, but as of August 2021, all of our programs have moved to in-person. During that time, masks were still required and participation was extremely limited.

Starting in June of 2022, we really picked up the amount of programming we were offering. Our Summer Reading Program still looks different than it did before COVID-19 because the majority of our programs now take place outdoors during summer. As stated before, we also brought back a few programs we hadn't done since before the shutdown in 2020.

We are also moving forward with more programming, and since the mask mandate and all restrictions have been lifted, programs have gone back to their normal size and structure. We plan on continuing to offer new and exciting programs that will be an asset to the community as a whole.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

Marketing

Another goal outlined in the District Library's Strategic Plan is making the District Library more visible in the community. Marketing is a key factor in achieving this goal. The District Library's visibility has increased greatly via Facebook and Instagram and the District Library's eNewsletter contacts have grown. These continue to be good ways to reach many people quickly.

Community involvement increases the District Library's visibility and opportunities are actively sought and have included participating in the Mt. Zion Chamber as a member and as a Board member, having a booth at the annual Business Expo, and participating in various community volunteer opportunities.

Over the past year, we have increased our presence in the community by also having a representative serve on the Symphony Orchestra Guild of Decatur's Board of Directors, as well as having both Youth Services Librarians serve on the Board for the "Birth to Five" initiative through iGrow. We are also working to increase our community involvement by offering more outreach, and this holiday season have partnered with the Salvation Army of Decatur to host an Angel Tree.

Another Strategic Plan goal is to grow usage of the District Library. Marketing, materials, programming, and services are very important components of this goal. Another is making the District Library a welcoming place that community residents want to visit and use. The staff and District Library Board continually evaluate customer service making sure the District Library is a welcoming place providing the services wanted and needed by our community.

With the addition of our new digital roadside sign, we are already seeing an increase in foot traffic and attendance to programs. We have also had other businesses in the community reach out and offer to donate items for programs because they saw it advertised on our sign. It has been a talking point during networking opportunities such as the Mt. Zion Chamber of Commerce monthly luncheons.

Other

The District Library continues to search for alternative funding, ways to save money without cutting services and encourages donations to support the District Library. Local grant opportunities are pursued as well as larger state and federal grants as they are available. Staff consistently looks for ways to save money and energy by modifying behavior and using resources more effectively.

MT. ZION DISTRICT LIBRARY
MT. ZION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

June 30, 2022
(UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

Contacting the District Library's Management

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District Library's finances and to demonstrate the District Library's accountability for the money it receives. If you have any questions about this report or need additional information, contact the District Library Director at 115 West Main Street, Mt. Zion, Illinois, or telephone 217-864-3622.

MT. ZION DISTRICT LIBRARY

ASSESSED VALUATIONS, RATES, EXTENSION AND COLLECTIONS
For Tax Years 2021, 2020, 2019 and 2018

	L E V Y Y E A R S			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assessed Valuations	\$ <u>272,577,193</u>	\$ <u>268,372,051</u>	\$ <u>260,893,547</u>	\$ <u>254,043,877</u>
Tax Rates: Per hundred	<u>0.2144</u>	<u>0.2121</u>	<u>0.2095</u>	<u>0.2153</u>
Tax Extensions	\$ <u>584,433</u>	\$ <u>569,298</u>	\$ <u>546,572</u>	\$ <u>546,956</u>
Collections		\$ <u>566,875</u>	\$ <u>546,069</u>	\$ <u>546,256</u>
Percentage of Extensions Collected		<u>99.57%</u>	<u>99.91%</u>	<u>99.87%</u>