

# **WORTH PUBLIC LIBRARY DISTRICT**

**WORTH, ILLINOIS**

## **ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2022**

# WORTH PUBLIC LIBRARY DISTRICT

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
**WORTH PUBLIC LIBRARY DISTRICT**  
Worth, Illinois

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **WORTH PUBLIC LIBRARY DISTRICT** (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, 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 of 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 audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

*Since 1969 ■ Members American Institute and Illinois Society of Certified Public Accountants*

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## **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 management's discussion and 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.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



O'NEILL & GASPARDO, LLC  
Mokena, Illinois  
September 27, 2022

## **WORTH PUBLIC LIBRARY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Worth Public Library District (the "District") we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2022. We encourage readers to read this information in conjunction with the District's financial statements.

### **Financial Highlights**

The District's total net position at June 30, 2022 was \$1,689,127, an increase of \$103,688 from June 30, 2021.

The District's governmental activities had revenues of \$882,905 in the year ended June 30, 2022 compared to revenues of \$837,336 in the prior year. The District's governmental activities had expenses of \$779,217 in the year ended June 30, 2022 compared to expenses of \$771,121 in the prior year. This represented a 5.44% increase in revenues and 1.05% increase in expenses.

### **Overview of the Financial Statements**

Management's discussion and analysis serves as an introduction to the District's financial statements. The basic financial statements include the Governmental Funds Balance Sheet and Statement of Net Position, Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities, and Notes to Financial Statements. The District qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column on the face of the statements, which reconciles the fund-based statements to the government-wide statements.

### **Government-wide Financial Statements**

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position includes all of the District's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Increases and decreases in net position serve as a useful indicator as to whether the financial position of the District as a whole is improving or deteriorating. Non-financial factors, such as changes in the District's property tax base and condition of the District's buildings and equipment, should be considered regarding the overall health of the District.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All revenues and expenses are included regardless of when cash is received or paid.

## **Fund Financial Statements**

A fund is a group of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while all other funds are combined into a single aggregated presentation.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and the balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the short-term.

Both the Governmental Funds Balance Sheet and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to assist in understanding the difference between the government-wide and fund financial statements.

In addition to the basic financial statements, notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

Budgetary comparison schedules are also provided as required supplemental information, which is useful in comparing how District expenditures were made in comparison to budgeted amounts.

## **Financial Analysis**

Net position may serve, over time, as a useful indicator of a District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,689,127 at the end of the fiscal year. Of the net position balance, \$336,237 is invested in capital assets, \$69,061 is restricted and \$1,283,829 is unrestricted net assets.

## Condensed Statement of Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 1,249,298	\$ 1,229,506
Taxes receivable	415,463	409,835
Total current assets	<u>1,664,761</u>	<u>1,639,341</u>
Net pension asset	399,419	141,452
Capital assets	336,237	376,507
Total assets	<u>2,400,417</u>	<u>2,157,300</u>
Deferred outflows of resources	<u>17,709</u>	<u>22,688</u>
Total assets and deferred outflows of resources	<u>\$ 2,418,126</u>	<u>\$ 2,179,988</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 21,282	\$ 13,587
Deferred grant revenue	1,460	\$ -
Total current liabilities	<u>22,742</u>	<u>13,587</u>
Accrued compensated absences	<u>22,967</u>	<u>36,717</u>
Total liabilities	45,709	50,304
Deferred inflows of resources:		
Property taxes	411,328	403,082
Pension related	271,962	141,163
Total deferred inflows of resources	<u>683,290</u>	<u>544,245</u>
<b>Net Position</b>		
Net invested in capital assets	336,237	376,507
Restricted	69,061	76,209
Unrestricted	<u>1,283,829</u>	<u>1,132,723</u>
Total net position	<u>1,689,127</u>	<u>1,585,439</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,418,126</u>	<u>\$ 2,179,988</u>

Sixty-nine percent of the District's assets and deferred outflows of resources at June 30, 2022 were current and consisted of cash, investments and taxes receivable. The remainder was capital (tangible) assets, net pension asset, and deferred outflows of resources. Fifty percent of liabilities were current liabilities. The remaining liabilities consisted of accrued compensated absences. Restricted net position of \$69,061 was four percent of total net position. Of the remaining net position, \$336,237 is invested in capital assets and \$1,283,829 is unrestricted net assets.



The following summarizes the revenue and expenses of the District’s governmental activities for fiscal year ended June 30, 2022. Governmental activities increased the District’s net position by \$103,688.

**Condensed Statement of Activities**

	<u>July 1, 2021 to June 30, 2022</u>	<u>July 1, 2020 to June 30, 2021</u>
<b>Revenues</b>		
General Revenues:		
Property taxes	\$ 837,618	\$ 812,660
Replacement taxes & grants	37,218	20,546
Other	-	4
Fines and fees	5,270	2,910
Investment income	2,799	1,216
Total revenues	<u>882,905</u>	<u>837,336</u>
<b>Expenses</b>		
Cultural	770,796	761,331
Capital outlay	8,421	9,790
Total expenses	<u>779,217</u>	<u>771,121</u>
Change in net position	103,688	66,215
Net position, beginning of year	<u>1,585,439</u>	<u>1,519,224</u>
Net position, end of year	<u>\$ 1,689,127</u>	<u>\$ 1,585,439</u>

The statement of activities shows the nature and source of the changes in net position. This year’s expenses are quite similar to previous fiscal year with a majority of revenues used to fund cultural expenses.

**Budget**

The District did not amend their budget during the fiscal year. The actual funds received for the general fund were \$771,545, which was \$94,970 higher than budgeted. Actual expenditures for the general fund of \$742,031 were \$363,829 lower than budgeted, due mainly to conservative spending practices.

## Financial Analysis of District's Funds

	<u>General</u>	<u>IMRF &amp; Social Security</u>	<u>Special Reserve</u>	<u>Other Funds</u>	<u>Total</u>
Total revenues	\$ 771,545	\$ 67,824	\$ 189	\$ 43,347	\$ 882,905
Total expenditures	742,031	66,086	-	66,769	874,886
Change in fund balances	29,514	1,738	189	(23,422)	8,019
Fund balance at June 30, 2021	1,006,581	33,864	74,747	107,480	1,222,672
Fund balance at June 30, 2022	<u>\$ 1,036,095</u>	<u>\$ 35,602</u>	<u>\$ 74,936</u>	<u>\$ 84,058</u>	<u>\$ 1,230,691</u>

The fund balances of the IMRF & Social Security Fund are restricted for specific purposes. The Special Reserve Fund was created by the Board of Trustees to set aside funds for future repairs and maintenance for the District's building. Other Funds include nonspendable, restricted, committed, and assigned balances. The General Fund balance is unrestricted and can be used for any purpose.

## Capital Assets

The District's investment in capital assets, net of accumulated depreciation was \$336,237 as of June 30, 2022. This was a decrease of \$40,270 from June 30, 2021 and was due to depreciation expense exceeding fixed asset additions. The following summarizes capital assets.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Land	\$ 30,000	\$ 30,000
Buildings	930,278	930,278
Equipment	39,133	40,498
Library collection	264,683	289,688
Total capital assets	1,264,094	1,290,464
Less: accumulated depreciation	927,857	913,957
Net capital assets	<u>\$ 336,237</u>	<u>\$ 376,507</u>

Additional information regarding capital assets may be found in the accompanying notes to the financial statements.

## Debt

The District has no outstanding long-term debt.

## **Economic Factors Bearing on the District's Future**

At the time these financial statements were prepared, the District was aware of the following circumstances that could significantly affect its financial health in the future.

- The District's service area is the same as the boundaries for the Village of Worth; as such the District's ability to generate tax receipts is directly linked to the Equalized Assessed Valuation (EAV) of the property within the Village of Worth.
- The minimum wage in Illinois began increasing on January 1, 2020 with increases due yearly until the minimum wage reaches \$15 per hour on January 1, 2025. The increases will eventually compress the salary scale and require readjustments for all employees. Wage increases will also impact the District's contributions to payroll taxes and IMRF.
- Library Systems in Illinois are funded by the State of Illinois. Despite the State's financial constraints, system funds seem to be arriving in a more timely fashion. Resource sharing, delivery of materials, and continuing education continue to be the system's highest priorities for service. RAILS (Reaching Across Illinois Library System) provides a variety of continuing education training opportunities for its members. Most training is offered online or as archived recordings which saves staff time and does not require mileage reimbursement.
- Public Library Per Capita Grants are funded through the State. The population determined by the 2020 census will have an effect on future grants.
- Anticipated long-term effects of the COVID-19 pandemic include costs for PPE, rising costs for property/liability insurance, lower property values, failure of businesses, and lingering unemployment. The financial impact of these conditions cannot be reasonably estimated at this time.
- Pursuant to the District's Capital Plan, anticipated capital improvements include roof, HVAC, and elevator replacement.

## **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Librarian, Worth Public Library District, 6917 W. 111<sup>th</sup> Street, Worth, Illinois 60482.

End of Management's Discussion and Analysis

## WORTH PUBLIC LIBRARY DISTRICT

### GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

June 30, 2022

	General	IMRF & Social Security	Special Reserve	Other Funds	Total	Adjustments	Statement of Net Position
Assets:							
Cash and investments	\$ 1,054,918	\$ 35,469	\$ 74,936	\$ 83,975	\$ 1,249,298	\$ -	\$ 1,249,298
Property tax receivables	356,301	34,275	-	22,386	412,962	-	412,962
Replacement tax receivable	2,501	-	-	-	2,501	-	2,501
Net pension asset	-	-	-	-	-	399,419	399,419
Land (not depreciated)	-	-	-	-	-	30,000	30,000
Other capital assets, net of depreciation	-	-	-	-	-	306,237	306,237
Total assets	<u>1,413,720</u>	<u>69,744</u>	<u>74,936</u>	<u>106,361</u>	<u>1,664,761</u>	<u>735,656</u>	<u>2,400,417</u>
Deferred outflows of resources:							
Pension related	-	-	-	-	-	17,709	17,709
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,709</u>	<u>17,709</u>
Total assets and deferred outflows of resources	<u>\$ 1,413,720</u>	<u>\$ 69,744</u>	<u>\$ 74,936</u>	<u>\$ 106,361</u>	<u>\$ 1,664,761</u>	<u>\$ 753,365</u>	<u>\$ 2,418,126</u>

## WORTH PUBLIC LIBRARY DISTRICT

### GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

June 30, 2022

	General	IMRF & Social Security	Special Reserve	Other Funds	Total	Adjustments	Statement of Net Position
<b>Liabilities:</b>							
Accounts payable	\$ 8,969	\$ -	\$ -	\$ -	\$ 8,969	\$ -	\$ 8,969
Accrued payroll	12,313	-	-	-	12,313	-	12,313
Deferred grant revenue	1,460	-	-	-	1,460	-	1,460
Accrued compensated absences	-	-	-	-	-	22,967	22,967
Total liabilities	<u>22,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,742</u>	<u>22,967</u>	<u>45,709</u>
<b>Deferred inflows of resources:</b>							
Pension related	-	-	-	-	-	271,962	271,962
Unearned property tax revenue	<u>354,883</u>	<u>34,142</u>	<u>-</u>	<u>22,303</u>	<u>411,328</u>	<u>-</u>	<u>411,328</u>
Total deferred inflows of resources	<u>354,883</u>	<u>34,142</u>	<u>-</u>	<u>22,303</u>	<u>411,328</u>	<u>271,962</u>	<u>683,290</u>
<b>Fund balances/net position</b>							
<b>Fund balances:</b>							
Nonspendable	-	-	-	22,557	22,557	(22,557)	-
Restricted	-	35,602	-	10,902	46,504	(46,504)	-
Committed	-	-	74,936	27,695	102,631	(102,631)	-
Assigned	-	-	-	22,904	22,904	(22,904)	-
Unassigned	<u>1,036,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,036,095</u>	<u>(1,036,095)</u>	<u>-</u>
Total fund balances	<u>1,036,095</u>	<u>35,602</u>	<u>74,936</u>	<u>84,058</u>	<u>1,230,691</u>	<u>(1,230,691)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,413,720</u>	<u>\$ 69,744</u>	<u>\$ 74,936</u>	<u>\$ 106,361</u>	<u>\$ 1,664,761</u>		<u>\$ 728,999</u>
<b>Net position:</b>							
Net investment in capital assets						336,237	336,237
Unrestricted						1,283,829	1,283,829
Restricted						69,061	69,061
Total net position						<u>\$ 1,689,127</u>	<u>\$ 1,689,127</u>

## WORTH PUBLIC LIBRARY DISTRICT

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### RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2022

Fund balances - governmental funds		\$ 1,230,691
Assets are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.		
Capital assets	\$ 336,237	
Net pension asset	<u>399,419</u>	
Total adjustments		735,656
Net deferred outflows/inflows of resources related to IMRF pension is not a current financial resource and therefore is not reported on the Governmental Funds Balance Sheet.		
		(254,253)
Long-term liabilities are not due and payable in the current period and therefore are not reported on the Governmental Funds Balance Sheet:		
Accrued compensated absences		<u>(22,967)</u>
Net position of governmental activities		<u>\$ 1,689,127</u>

## WORTH PUBLIC LIBRARY DISTRICT

### GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

	General	IMRF & Social Security	Special Reserve	Other Funds	Total	Adjustments	Statement of Activities
Revenues:							
Property taxes	\$ 726,561	\$ 67,824	\$ -	\$ 43,233	\$ 837,618	\$ -	\$ 837,618
Replacement taxes	15,265	-	-	-	15,265	-	15,265
Operating grants	21,953	-	-	-	21,953	-	21,953
Fines and fees (charges for services)	5,270	-	-	-	5,270	-	5,270
Investment income	2,496	-	189	114	2,799	-	2,799
Total revenues	771,545	67,824	189	43,347	882,905	-	882,905
Expenditures/expenses:							
Current:							
Cultural	722,169	66,086	-	66,769	855,024	(84,228)	770,796
Capital outlay	19,862	-	-	-	19,862	(11,441)	8,421
Total expenditures/expenses	742,031	66,086	-	66,769	874,886	(95,669)	779,217
Net change in fund balances/net position	29,514	1,738	189	(23,422)	8,019	95,669	103,688
Fund balances/net position:							
Beginning of year	1,006,581	33,864	74,747	107,480	1,222,672	362,767	1,585,439
End of year	<u>\$ 1,036,095</u>	<u>\$ 35,602</u>	<u>\$ 74,936</u>	<u>\$ 84,058</u>	<u>\$ 1,230,691</u>	<u>\$ 458,436</u>	<u>\$ 1,689,127</u>

## WORTH PUBLIC LIBRARY DISTRICT

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

Year Ended June 30, 2022

Net change in fund balances - governmental funds		\$	8,019
<p>Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>			
Expenditures for capital assets in the current year	\$	51,928	
Current year depreciation		<u>(92,198)</u>	
			(40,270)
<p>Some expenses reported on the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>			
Change in accrued compensated absences from the prior year		13,750	
Change in net deferred outflows/inflows of resources for IMRF pension plan from the prior year		(135,778)	
Change in net pension liability/asset from the prior year		<u>257,967</u>	
Total adjustments			<u>135,939</u>
Change in net position of governmental activities		\$	<u>103,688</u>



# WORTH PUBLIC LIBRARY DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**WORTH PUBLIC LIBRARY DISTRICT** (the “District”) is located in Worth, Illinois. The District was organized under state law to provide cultural and library services to local residents.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

#### **A. Reporting Entity**

Accounting principles generally accepted in the United States of America require that the financial reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature of significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based upon these criteria, there are no agencies or entities whose financial data should be combined with and included in the financial statements of the District. Also, the District is not considered a component unit of any other government entity.

#### **B. Basis of Presentation**

The fund and government-wide financial statements are combined, with a reconciliation shown between them. Therefore, the Governmental Funds Balance Sheet and Statement of Net Position are combined, and the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities are combined. The government-wide statements are designed to report the District’s financial position and results of operations as a whole. The fund financial statements are designed to demonstrate legal compliance and to aid financial management by segregating transactions by fund. Program revenues include fines and fees (charges for service), operating grants and donations.

Major individual governmental funds are reported as separate columns on the fund financial statements and all other funds are combined under a single column. The major funds are the General, IMRF & Social Security and Special Reserve Funds. Following is a brief description of the major funds used by the District.

# WORTH PUBLIC LIBRARY DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

General Fund – The General Fund is the general operating fund of the District and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. In addition, general operating expenditures and the capital improvement costs that are not paid through other funds are paid from this fund.

IMRF & Social Security Fund – The IMRF & Social Security Fund accounts for financial resources used to pay employer social security and medicare taxes and IMRF contributions.

Special Reserve Fund – The Special Reserve Fund is used for property, building, building renovations and equipment purchases.

#### C. Basis of Accounting

The government-wide statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Property taxes are recognized as revenue in the year in which they are intended to finance.

Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund equity. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter (defined as within 60 days after the fiscal year-end) to be used to pay liabilities of the current period. Material revenues susceptible to accrual include real estate tax, replacement tax and grant revenue. Expenditures are recognized when the related fund liability is incurred.

#### D. Investments

Investments consist of investments held in an Illinois Funds Money Market account and are carried at cost, which approximates market.

#### E. Capital Assets

The accounting treatment for property, plant, and equipment (capital assets) depends on whether the assets are reported on the government-wide or fund financial statements.

# WORTH PUBLIC LIBRARY DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

On the government-wide financial statements capital assets are valued at historical cost, or the estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at the estimated fair value at the date of donation. Depreciation of all exhaustible capital assets is recorded as a cultural expense on the Statement of Activities, with accumulated depreciation reflected on the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Building and grounds	7 – 55 years
Equipment	3 – 10 years
Library collection (books and audio-visual)	5 years

The minimum capitalization threshold is any item with a total cost greater than \$2,500, except for purchases of books and audio-visual, which are always capitalized.

On the fund financial statements, capital assets are accounted for as expenditures of the governmental fund upon acquisition.

#### F. Compensated Absences

The District's personnel policy permits employees to accumulate earned but unused vacation and sick pay benefits. No liability is recorded for unpaid accumulated sick leave since it is the District's policy to not pay unused sick leave when employees separate from the District. On the fund financial statements, accrued vacation is recorded in the General Fund when payable (i.e., upon resignation or retirement). On the government-wide financial statements, accrued vacation is recorded when earned.

#### G. Deferred Outflows/Inflows of Resources

The District reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to future fiscal years, so will not be recognized as an outflow of resources (expenditure or expense) on the Statement of Activities until then. The District only has one item that qualifies for reporting in this category, the outflows related to the pension, which represents pension items that will be recognized in future periods.

# WORTH PUBLIC LIBRARY DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The District also reports deferred inflows of resources on its Governmental Funds Balance Sheet and Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to future fiscal years, so will not be recognized as an inflow of resources (revenue or reduction of expenditure or expense) on the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities until then. The District has two items that qualify for reporting in this category:

- Deferred inflows related to pensions, which represent pension items that will be recognized in future periods.
- Levied property taxes intended to finance the next fiscal year, which will be recognized as revenue in the next fiscal year.

#### H. Property Taxes

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a levy ordinance by its Board. Property taxes are recognized as a receivable at the time they are levied. Property tax revenues are recognized in the fiscal year they are intended to finance. In addition, revenue under the modified accrual basis (fund financial statements) is not recognized unless it is also available (collected within 60 days after fiscal year end). Property tax collections and property taxes receivable not recognized as revenue are reported as deferred inflows of resources. Property tax revenues on the fund financial statements are allocated to each fund in accordance with the applicable fund levy amounts.

The second installment of the 2020 levy and the first installment of the 2021 levy were intended to finance the fiscal year ended June 30, 2022. Therefore, the property taxes collected within 60 days of June 30, 2022 for these installments of these levies have been recorded as revenue, along with collections of prior levies. The second installment of the 2021 levy is intended to finance the fiscal year ending June 30, 2023. Therefore, the property taxes receivable of this levy as of June 30, 2022 has been recorded as a deferred inflow of resources.

The District recorded an allowance for uncollectible property taxes of 2.68% of the 2021 levy (\$23,313). All uncollected taxes relating to prior years' levies have been written off.

Significant dates for the 2021 levy are as follows:

Lien date	January 1, 2021
Levy date	November 9, 2021
First installment due	March 1, 2022
Second installment due	August 1, 2022

# WORTH PUBLIC LIBRARY DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property taxes are billed and collected by the Cook County, Illinois Treasurer. Property tax bills are typically mailed at least 30 days prior to due dates. Substantially all of the collected taxes for the 2021 tax levy will be received by the District between March 2022 and December 2022.

#### I. Elimination and Reclassifications

In the process of aggregating data for the government-wide Statement of Activities and Statement of Net Position, some amounts reported as interfund activity and interfund receivables and payables on the fund financial statements may be eliminated or reclassified.

#### J. Fund Balance

Equity is classified as fund balance on the fund financial statements and displayed in five components:

- Nonspendable includes amounts not in spendable form, such as the principal portion of the Working Cash Fund or amounts required to be maintained intact legally or contractually.
- Restricted includes amounts constrained for a specific purpose by external parties.
- Committed includes amounts constrained for a specific purpose by a government using its highest level of decision making authority (the Board of Trustees for the District). This formal action must occur prior to the end of the reporting period, but the amount of the committed balance may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Trustees that originally created the commitment.
- Assigned includes General Fund amounts constrained for a specific purpose by the Board of Trustees or by an official who has been delegated authority to assign amounts. The Board of Trustees has not delegated this authority as of June 30, 2022. Additionally, all remaining positive spendable amounts in government funds other than the General Fund that are neither restricted nor committed, are considered assigned. Assignments may take place after the end of the reporting period.
- Unassigned includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

In circumstances where an expenditure relates to amounts available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed, assigned and unassigned fund balances.

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### K. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings 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 constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District uses restricted resources when an expense is incurred before using unrestricted resources.

##### L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### NOTE 2. DEFINED BENEFIT PENSION PLAN

##### IMRF 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 beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

##### Benefits Provided

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 1½% 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.

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

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 $\frac{2}{3}$ % 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.

#### Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>8</u>
<b>Total</b>	<u><u>19</u></u>

#### Contributions

As set by statute, the District'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 District's annual contribution rate for calendar year 2021 was 8.66% of members' wages. For the fiscal year ended on June 30, 2022, the District contributed \$31,030 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### Net Pension Asset

The District's net pension asset was measured as of December 31, 2021. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The amount is included in noncurrent assets on the statement of net position.

#### Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based table of rates, 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.

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Portfolio target percentage</u>	<u>Long-term expected real rate of return</u>
Domestic equity	39%	1.90%
International equity	15%	3.15%
Fixed income	25%	-0.60%
Real estate	10%	3.30%
Alternative investments	10%	1.70-5.50%
Cash equivalents	1%	-0.90%
<b>Total</b>	<b>100%</b>	

No changes were made to the District's assumptions.



## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

##### 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 the 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:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the 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 pension plan investments is 7.25%, the municipal bond rate is 1.84% and the resulting single discount rate is 7.25%.

##### Changes in the Net Pension Liability (Asset)

	Total pension liability (A)	Plan fiduciary net position (B)	Net pension liability (asset) (A) - (B)
<b>Balances at December 31, 2020</b>	\$ 1,769,565	\$ 1,911,017	\$ (141,452)
<b>Changes for the year:</b>			
Service cost	40,513	-	40,513
Interest on the total pension liability	128,944	-	128,944
Differences between expected and actual experience of the total pension liability	(82,228)	-	(82,228)
Contributions - employer	-	32,251	(32,251)
Contributions - employee	-	16,759	(16,759)
Net investment income	-	303,104	(303,104)
Benefits payments, including refunds of employee contributions	(22,567)	(22,567)	-
Other (net transfers)	-	(6,918)	6,918
Net changes	64,662	322,629	(257,967)
<b>Balances at December 31, 2021</b>	<u>\$ 1,834,227</u>	<u>\$ 2,233,646</u>	<u>\$ (399,419)</u>

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

##### 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:

	<b>1% lower (6.25%)</b>	<b>Current discount rate (7.25%)</b>	<b>1% higher (8.25%)</b>
Net pension liability	\$ 2,050,666	\$ 1,834,227	\$ 1,661,118
Plan fiduciary net position	2,233,646	2,233,646	2,233,646
<b>Net pension liability / (asset)</b>	<b>\$ (182,980)</b>	<b>\$ (399,419)</b>	<b>\$ (572,528)</b>

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

For the year ended June 30, 2022, the District recognized pension income of \$91,159. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred amounts related to pensions</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 2,950	\$ 51,089
Changes of assumptions	-	3,650
Net difference between projected and actual earnings on pension plan investments		217,223
Total deferred amounts to be recognized in pension expense in future periods	2,950	271,962
<i>Pension contributions made subsequent to the measurement date</i>	14,759	-
<b>Total deferred amounts related to pensions</b>	<b>\$ 17,709</b>	<b>\$ 271,962</b>

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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

<u>Year ending December 31,</u>	<u>Net deferred outflows of resources</u>
2022	\$ (80,315)
2023	(102,420)
2024	(53,506)
2025	(32,771)
2026	-
Thereafter	-
Total	<u>\$ (269,012)</u>

#### NOTE 3. CASH AND INVESTMENTS

Reconciled cash and investments were as follows at June 30, 2022:

Petty cash	\$ 400
CIBC Bank - checking accounts	237,536
Illinois Funds (investment pool - does not require categorization)	<u>1,011,362</u>
Total cash and investments	<u>\$ 1,249,298</u>

The District's investment policy (the "policy") authorizes the District to invest in obligations of the U.S. Government and its agencies, interest-bearing savings account, certain short-term obligations of U.S. corporations, money market mutual funds, certificates of deposit, Illinois Public Treasurer's Investment Pool (Illinois Funds), and other securities authorized by the Illinois Public Funds Investment Act.

The District's deposits and investments are subject to the following risks:

- Custodial credit risk is the risk that the District will not be able to recover its deposits with financial institutions in the event of the failure of the financial institutions. The District's policy limits this risk by only allowing deposits in Federally Insured or Licensed Institutions Permitted to Hold Public Funds, provided that such investments shall not exceed federal insurance limits. Uninsured investments shall be collateralized by securities or mortgages in an amount equal to at least fair market value of the uninsured amount.

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 3. CASH AND INVESTMENTS – Continued

- Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations, resulting in investment losses by the District. The District’s investment policy limits its exposure to credit risk by only allowing investments in Illinois Funds, certificates of deposit, Treasury Bills and other securities guaranteed by the U.S. Government and any other investments under Illinois State Law.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s policy does not limit the term of investments to specific maturities.
- Concentration of credit risk is the risk of loss attributed to funds being concentrated in a limited number of investments. The District’s investment policy does not restrict the amount of investments in any one issue. All the District’s investments are in Illinois Funds.

#### Illinois Funds

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but operates in a manner consistent with Rule 2(a)7 of the Investment Company Act of 1940. Illinois Funds is rated AAAM by Standard & Poor’s. Investments in Illinois Funds are valued at Illinois Funds’ share price, which is the price the investment could be sold. Illinois Funds issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained on-line at [www.treasurer.il.gov](http://www.treasurer.il.gov).

The District’s deposits with financial institutions were categorized as follows at June 30, 2022:

Insured by federal depository insurance	\$ 249,863
Collateralized by securities held by the pledging financial institution's trust department or agent in the District's name	-
Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the District's name	-
Uncollateralized	-
Total deposits with financial institutions	<u>\$ 249,863</u>

#### NOTE 4. RISK OF LOSS

The District is exposed to various risks of loss through property ownership, employee injury, liability of employees, actions of elected officials and other risks. The District has membership with Libraries of Illinois Risk Agency (“LIRA”) to overcome these risks. LIRA is a cooperative agency voluntarily established by contracting public libraries, library districts, library systems and other units of government pursuant to Article VII, Section 10 of the 1970 Constitution of the State of Illinois and 5 ILCS 220/6 of the Illinois Compiled Statutes for the purpose of seeking prevention or reduction of casualty losses to governmental

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 4. RISK OF LOSS – Continued

properties and injuries to persons or property which might result in claims being made against Member units, their officers, and employees.

The relationship, including rights and responsibilities of the District and LIRA, is governed by an intergovernmental contract, which may be obtained from the District. In accordance with this contract, the District is obligated to report claims on a timely basis, follow risk management procedures adopted by LIRA, provide necessary information to LIRA, cooperate with LIRA's attorneys and staff and timely pay all contributions. LIRA has a Board of Directors that is responsible for administering the intergovernmental contract and managing the operating and reserve funds. The Board of Directors is elected or appointed by LIRA members, including the District.

There were no significant reductions in insurance coverage during the fiscal year ended June 30, 2022, and claims have not exceeded coverage in the last three years.

#### NOTE 5. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended June 30, 2022:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Capital assets, not depreciable:				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Total capital assets, not depreciable	30,000	-	-	30,000
Capital assets, depreciable:				
Building and grounds	930,278	-	-	930,278
Equipment	40,498	11,441	(12,806)	39,133
Library collection	289,688	40,487	(65,492)	264,683
Total capital assets, depreciable	1,260,464	51,928	(78,298)	1,234,094
Less accumulated depreciation for:				
Building	(726,878)	(33,642)	-	(760,520)
Equipment	(33,066)	(3,119)	12,806	(23,379)
Library collection	(154,013)	(55,437)	65,492	(143,958)
Total accumulated depreciation	(913,957)	(92,198)	78,298	(927,857)
Capital assets, net	\$ 376,507	\$ (40,270)	\$ -	\$ 336,237

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 6. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Other liabilities:					
Accrued compensated absences	\$ 36,717	\$ 30,178	\$ (43,928)	\$ 22,967	\$ 22,967
Total long term liabilities	<u>\$ 36,717</u>	<u>\$ 30,178</u>	<u>\$ (43,928)</u>	<u>\$ 22,967</u>	<u>\$ 22,967</u>

The general fund is used to liquidate the accrued compensated absences.

#### NOTE 7. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the government funds at June 30, 2022:

	<u>General</u>	<u>IMRF &amp; Social Security</u>	<u>Special Reserve</u>	<u>Other Funds</u>
Fund balance:				
Nonspendable for:				
Short-term loans to other funds				
Interfund loans	\$ -	\$ -	\$ -	\$ 22,557
Restricted due to enabling legislation (tax levy):				
IMRF & Social Security	-	35,602	-	-
Liability insurance	-	-	-	3,788
Audit	-	-	-	239
Unemployment compensation	-	-	-	3,664
Workers' compensation	-	-	-	3,211
Committed by Board of Trustees:				
Special projects	-	-	74,936	-
Building fund	-	-	-	27,695
Assigned for:				
Future operating expenditures	-	-	-	22,904
Unassigned	1,036,095	-	-	-
Total fund balances	<u>\$ 1,036,095</u>	<u>\$ 35,602</u>	<u>\$ 74,936</u>	<u>\$ 84,058</u>

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 8. RESTRICTED NET POSITION

The following is a schedule of restricted net position on the Statement of Net Position at June 30, 2022. These balances are restricted by tax levies.

Working cash	\$	22,557
IMRF & Social Security		35,602
Liability insurance		3,788
Audit		239
Unemployment compensation		3,664
Workers' compensation		3,211
Total	\$	<u>69,061</u>

#### NOTE 9. SUBSEQUENT EVENTS

The District has evaluated events subsequent to June 30, 2022 for possible adjustment or disclosure to the accompanying financial statements. This evaluation was done through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

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***REQUIRED  
SUPPLEMENTARY INFORMATION***

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## WORTH PUBLIC LIBRARY DISTRICT

### GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL Year Ended June 30, 2022

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Property taxes	\$ 653,351	\$ 726,561	\$ 73,210
Other revenues:			
Replacement taxes		15,265	
Operating grants		21,953	
Fines and fees (charges for services)		5,270	
Investment income		2,496	
Total other revenues	<u>23,224</u>	<u>44,984</u>	<u>21,760</u>
Total revenues	676,575	771,545	94,970
Expenditures:			
Cultural:			
Salaries	558,000	465,278	(92,722)
Books	68,400	33,185	(35,215)
Programming	20,400	17,445	(2,955)
Periodicals	9,000	5,752	(3,248)
Audio visual	4,800	7,738	2,938
Postage	3,600	901	(2,699)
Utilities	42,000	13,924	(28,076)
Office and library supplies	20,400	13,448	(6,952)
Publishing and printing	6,000	3,225	(2,775)
Staff development	6,000	3,120	(2,880)
Board development	4,800	58	(4,742)
Dues	3,840	1,921	(1,919)
Reciprocal borrowing delinquencies	4,200	1,708	(2,492)
Professional services	24,000	10,000	(14,000)
Legal services	14,400	1,838	(12,562)
Treasurer's bond	1,800	188	(1,612)
Copy machine	2,640	976	(1,664)
Databases and online resources	31,200	20,197	(11,003)
Computer maintenance	60,000	56,634	(3,366)
Health insurance	90,000	60,257	(29,743)
Contingency	6,000	2,974	(3,026)
Fax tax	540	120	(420)
Donations	6,000	50	(5,950)
Memorial book purchases	600	-	(600)
Direct deposit fee	1,440	981	(459)
Personal protective equipment	<u>3,000</u>	<u>251</u>	<u>(2,749)</u>
Total cultural expenditures	993,060	722,169	(270,891)

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## WORTH PUBLIC LIBRARY DISTRICT

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### GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL Year Ended June 30, 2022

*Continued from previous page ...*

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Capital outlay:			
Computer equipment	22,800	16,913	(5,887)
Purchase of furniture Equipment	11,400	1,534	(9,866)
Capital improvements	17,400	1,415	(15,985)
	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Total capital outlay	<u>111,600</u>	<u>19,862</u>	<u>(91,738)</u>
 Total expenditures	 <u>1,104,660</u>	 <u>742,031</u>	 <u>(362,629)</u>
Net change in fund balance	<u>\$ (428,085)</u>	29,514	<u>\$ 457,599</u>
 Fund balance, beginning		<u>1,006,581</u>	
 Fund balance, ending		<u>\$ 1,036,095</u>	

## WORTH PUBLIC LIBRARY DISTRICT

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### IMRF & SOCIAL SECURITY FUND

#### SCHEDULE OF REVENUES AND EXPENDITURES -

#### ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

Year Ended June 30, 2022

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Property taxes	\$ 67,425	\$ 67,824	\$ 399
Total revenues	67,425	67,824	399
Expenditures:			
Cultural:			
IMRF	54,000	31,030	(22,970)
Social security	60,000	35,056	(24,944)
Total cultural expenditures	114,000	66,086	(47,914)
Total expenditures	114,000	66,086	(47,914)
Net change in fund balance	<u>\$ (46,575)</u>	1,738	<u>\$ 48,313</u>
Fund balance, beginning		<u>33,864</u>	
Fund balance, ending		<u>\$ 35,602</u>	

**WORTH PUBLIC LIBRARY DISTRICT**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

June 30, 2022

Calendar year ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>								
Service cost	\$ 40,513	\$ 40,482	\$ 39,109	\$ 33,185	\$ 36,459	\$ 36,439	\$ 35,656	\$ 35,324
Interest on total pension liability	128,944	119,148	112,024	104,860	100,449	95,001	89,592	78,653
Change in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience of total pension liability	(82,228)	10,466	(32,146)	(17,568)	(11,525)	(36,814)	(32,249)	1,366
Changes of assumptions	-	(12,946)	-	45,989	(41,546)	(3,567)	3,412	51,235
Benefit payments, including refunds of employee contributions	(22,567)	(21,521)	(21,312)	(23,490)	(23,275)	(20,356)	(22,235)	(19,547)
<b>Net change in total pension liability</b>	<u>64,662</u>	<u>135,629</u>	<u>97,675</u>	<u>142,976</u>	<u>60,562</u>	<u>70,703</u>	<u>74,176</u>	<u>147,031</u>
<b>Total pension liability - beginning</b>	<u>1,769,565</u>	<u>1,633,936</u>	<u>1,536,261</u>	<u>1,393,285</u>	<u>1,332,723</u>	<u>1,262,020</u>	<u>1,187,844</u>	<u>1,040,813</u>
<b>Total pension liability - ending (A)</b>	<u>\$ 1,834,227</u>	<u>\$ 1,769,565</u>	<u>\$ 1,633,936</u>	<u>\$ 1,536,261</u>	<u>\$ 1,393,285</u>	<u>\$ 1,332,723</u>	<u>\$ 1,262,020</u>	<u>\$ 1,187,844</u>
<b>Plan fiduciary net position:</b>								
Contributions - employer	\$ 32,251	\$ 33,356	\$ 27,764	\$ 33,295	\$ 34,134	\$ 32,712	\$ 31,160	\$ 32,006
Contributions - employee	16,759	16,922	15,977	14,968	14,396	13,835	13,667	13,398
Net investment income	303,104	224,773	246,583	(61,325)	203,820	76,804	5,760	64,980
Benefit payments, including refunds of employee contributions	(22,567)	(21,521)	(21,312)	(23,490)	(23,275)	(20,356)	(22,235)	(19,547)
Other (net transfer)	(6,918)	3,153	(14,014)	(514)	(8,557)	5,462	(61,726)	(2,349)
<b>Net change in plan fiduciary net position</b>	<u>322,629</u>	<u>256,683</u>	<u>254,998</u>	<u>(37,066)</u>	<u>220,518</u>	<u>108,457</u>	<u>(33,374)</u>	<u>88,488</u>
<b>Plan fiduciary net position - beginning</b>	<u>1,911,017</u>	<u>1,654,334</u>	<u>1,399,336</u>	<u>1,436,402</u>	<u>1,215,884</u>	<u>1,107,427</u>	<u>1,140,801</u>	<u>1,052,313</u>
<b>Plan fiduciary net position - ending (B)</b>	<u>\$ 2,233,646</u>	<u>\$ 1,911,017</u>	<u>\$ 1,654,334</u>	<u>\$ 1,399,336</u>	<u>\$ 1,436,402</u>	<u>\$ 1,215,884</u>	<u>\$ 1,107,427</u>	<u>\$ 1,140,801</u>
<b>Net pension liability (asset) - ending (A) - (B)</b>	<u>\$ (399,419)</u>	<u>\$ (141,452)</u>	<u>\$ (20,398)</u>	<u>\$ 136,925</u>	<u>\$ (43,117)</u>	<u>\$ 116,839</u>	<u>\$ 154,593</u>	<u>\$ 47,043</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	121.78%	107.99%	101.25%	91.09%	103.09%	91.23%	87.75%	96.04%
<b>Covered valuation payroll</b>	\$ 372,417	\$ 376,052	\$ 355,037	\$ 332,624	\$ 319,911	\$ 307,451	\$ 303,705	\$ 297,724
<b>Net pension liability as a percentage of covered valuation payroll</b>	-107.25%	-37.62%	-5.75%	41.17%	-13.48%	38.00%	50.90%	15.80%

**Notes to schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

## WORTH PUBLIC LIBRARY DISTRICT

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### SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2022

Calendar year ended December 31,	Actuarially determined contribution (a)	Actual contribution (b)	Contribution deficiency (excess) (b-a)	Covered valuation payroll (c)	Actual contribution as a percentage of covered valuation payroll (b/c)
2021	\$ 32,251	\$ 32,251	\$ -	\$ 372,417	8.66%
2020	33,356	33,356	-	376,052	8.87%
2019	27,764	27,764	-	355,037	7.82%
2018	33,296	33,295	1	332,624	10.01%
2017	34,135	34,134	1	319,911	10.67%
2016	32,713	32,712	1	307,451	10.64%
2015	31,160	31,160	-	303,705	10.26%
2014	32,005	32,006	(1)	297,724	10.75%
2013	34,420	34,420	-	278,481	12.36%
2012	31,861	31,861	-	275,618	11.56%

## **WORTH PUBLIC LIBRARY DISTRICT**

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### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2022

#### **NOTE 1. BUDGETS**

Budgets for funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used to establish the budgets:

- (a) The District's Director submits a proposed operating budget to the Board of Trustees for approval.
- (b) The Board of Trustees makes any adjustments to the budget deemed necessary and approves the proposed budget and appropriation ordinance.
- (c) Notice is published in a newspaper that the tentative Annual Budget and Appropriation Ordinance of the District is available for inspection and then is subsequently presented at a public hearing.
- (d) The District's Board of Trustees adopts the Annual Budget and Appropriation Ordinance after the public hearing.

Expenditures may not legally exceed the budgeted appropriations at the fund level. The budget may be amended by the District's Board of Trustees. There were no amendments to the budget for the year ended June 30, 2022.

#### **NOTE 2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET**

Expenditures did not exceed the appropriations for the year ended June 30, 2022 for the General Fund or the IMRF & Social Security Fund.

## WORTH PUBLIC LIBRARY DISTRICT

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### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

#### NOTE 3. SCHEDULE OF EMPLOYER CONTRIBUTION

##### *Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate\**

###### **Valuation Date:**

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

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

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	22-year closed period.
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
<i>Mortality:</i>	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

###### **Other Information:**

Notes There were no benefit changes during the year.

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

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*SUPPLEMENTARY INFORMATION*

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**WORTH PUBLIC LIBRARY DISTRICT**

**OTHER FUNDS  
COMBINING BALANCE SHEET  
June 30, 2022**

	SPECIAL REVENUE FUNDS					PERMANENT FUND	Total
	Liability Insurance	Audit	Unemploy. Comp.	Library Building	Workers' Compens.	Working Cash	
Assets:							
Cash and investments	\$ 3,781	\$ 224	\$ 3,664	\$ 27,641	\$ 3,204	\$ 45,461	\$ 83,975
Property tax receivables	2,446	3,685	98	13,711	2,446	-	22,386
Total assets	<u>\$ 6,227</u>	<u>\$ 3,909</u>	<u>\$ 3,762</u>	<u>\$ 41,352</u>	<u>\$ 5,650</u>	<u>\$ 45,461</u>	<u>\$ 106,361</u>
Deferred inflows of resources:							
Unearned property tax revenue	\$ 2,439	\$ 3,670	\$ 98	\$ 13,657	\$ 2,439	\$ -	\$ 22,303
Total deferred inflows of resources	2,439	3,670	98	13,657	2,439	-	22,303
Fund balances:							
Nonspendable	-	-	-	-	-	22,557	22,557
Restricted	3,788	239	3,664	-	3,211	-	10,902
Committed	-	-	-	27,695	-	-	27,695
Assigned	-	-	-	-	-	22,904	22,904
Total fund balances	<u>3,788</u>	<u>239</u>	<u>3,664</u>	<u>27,695</u>	<u>3,211</u>	<u>45,461</u>	<u>84,058</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,227</u>	<u>\$ 3,909</u>	<u>\$ 3,762</u>	<u>\$ 41,352</u>	<u>\$ 5,650</u>	<u>\$ 45,461</u>	<u>\$ 106,361</u>

**WORTH PUBLIC LIBRARY DISTRICT**

**OTHER FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS					PERMANENT	Total
	Liability Insurance	Audit	Unemploy. Comp.	Library Building	Workers' Compens.	FUND Working Cash	
Revenues:							
Property taxes	\$ 3,794	\$ 7,554	\$ 471	\$ 27,620	\$ 3,794	\$ -	\$ 43,233
Investment income	-	-	-	-	-	114	114
Total revenues	3,794	7,554	471	27,620	3,794	114	43,347
Expenditures:							
Liability insurance	11,775	-	-	-	-	-	11,775
Audit fees	-	8,900	-	-	-	-	8,900
Unemployment insurance	-	-	668	-	-	-	668
Library building	-	-	-	42,270	-	-	42,270
Workers' compensation	-	-	-	-	3,156	-	3,156
Total expenditures	11,775	8,900	668	42,270	3,156	-	66,769
Net change in fund balances	(7,981)	(1,346)	(197)	(14,650)	638	114	(23,422)
Fund balances:							
Beginning of year	11,769	1,585	3,861	42,345	2,573	45,347	107,480
End of year	\$ 3,788	\$ 239	\$ 3,664	\$ 27,695	\$ 3,211	\$ 45,461	\$ 84,058