



Eder, Casella & Co.
815.344.1300
www.edercasella.com

***MCHENRY PUBLIC LIBRARY DISTRICT
MCHENRY COUNTY, ILLINOIS***

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

eder, casella & co

MCHENRY PUBLIC LIBRARY DISTRICT
TABLE OF CONTENTS
JUNE 30, 2022

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	15
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	28
Illinois Municipal Retirement Fund – Schedule of Employer Contribution	29
Other Post-Employment Benefit – Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	30
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	31
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Grant and Gift Fund	32
Notes to Required Supplementary Information	33
SUPPLEMENTAL FINANCIAL INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund – Special Reserve Fund	34

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
McHenry Public Library District
McHenry, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of

McHenry Public Library District

as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of McHenry Public Library District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 12 to the financial statements, the Library implemented GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on 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 Library's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 15, 2022

REQUIRED SUPPLEMENTARY INFORMATION

**MCHENRY PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

As management of McHenry Public Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents information on all of the Library's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The Statement of Activities presents information showing how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements present functions of the Library that are principally supported by taxes and intergovernmental revenues (governmental activities). The Library does not have any functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Library include general government and library operations.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Library are governmental funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Reserve Fund, and Grant and Gift Fund, all of which are considered to be major funds.

The Library adopts an annual appropriated budget for the General Fund, Special Reserve Fund, and Grant and Gift Fund. A budgetary comparison schedule has been provided for each of these funds to demonstrate compliance with this budget.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's progress in meeting its obligation to provide as fully adequate as possible library services to its residents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,280,178 at the close of the most recent fiscal year. By far the largest portion of the Library's net position reflects its investment in capital assets (e.g., land, fine art, building, equipment and furnishings, and collection) less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A condensed version of the Statement of Net Position at June 30, 2022 and 2021 follows:

	McHenry Public Library District's Net Position	
	Governmental Activities	
	2022	2021
Assets		
Current and Other Assets	\$ 5,703,157	\$ 4,675,469
Net Pension Asset - IMRF	263,785	-
Capital Assets	5,707,545	6,055,192
Total Assets	\$ 11,674,487	\$ 10,730,661
Deferred Outflows of Resources		
Pension Expense - IMRF	\$ 144,006	\$ 164,205
Total Deferred Outflows of Resources	\$ 144,006	\$ 164,205
Liabilities		
Long-Term Liabilities Outstanding	\$ 274,129	\$ 698,304
Current Liabilities	62,835	53,937
Total Liabilities	\$ 336,964	\$ 752,241
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$ 3,333,147	\$ 3,246,882
Pension Revenue - IMRF	868,204	619,529
Total Deferred Inflows of Resources	\$ 4,201,351	\$ 3,866,411
Net Position		
Investment in Capital Assets	\$ 5,707,545	\$ 6,055,192
Restricted	-	2,188
Unrestricted/(Deficit)	1,572,633	218,834
Total Net Position	\$ 7,280,178	\$ 6,276,214

The balance of unrestricted net position, \$1,572,633, may be used to meet the Library's ongoing obligations to citizens and creditors.

The Library's net position increased by \$1,003,964 during the current fiscal year.

Governmental Activities - Governmental activities increased the Library's net position by \$1,003,964. Key elements of this increase are as follows:

		Governmental Activities	
		2022	2021
McHenry Public Library District's Change in Net Position			
Revenues			
Program Revenues			
Charges for Services	\$	33,888	\$ 11,694
Operating Grants and Contributions		133,718	65,940
General Revenues			
Property Taxes		3,271,483	3,175,880
Impact Fees		-	7,945
Developer Fees		127,092	18,512
Investment Earnings		1,245	947
Other		39,362	21,606
Total General Revenues and Transfers	\$	3,606,788	\$ 3,302,524
Expenses			
General Government	\$	101,041	\$ 78,823
Library Operations		2,531,753	3,018,284
Total Expenses	\$	2,632,794	\$ 3,097,107
Increase/(Decrease) in Net Position	\$	973,994	\$ 205,417
Net Position - Beginning		6,276,214	5,997,950
Net Position Adjustment		29,970	72,847
Net Position - Ending	\$	7,280,178	\$ 6,276,214

- Total revenues increased \$304,264 from the prior year mainly due to the increase of Operating Grants and Contributions, Property Taxes, Developer Fees, and Other Revenues.
- Total expenses decreased \$464,313 from the prior year, which was mainly attributable to the decrease in Library Operations of \$516,501. This includes decreases in the various areas in comparison to the prior year, including a concerted effort to build back up the General Fund's fund balance.

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$2,307,175.

The General Fund is the chief operating fund of the Library. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,310,585. The total fund balance of the Library's General Fund increased by \$2,432,704, which included multiple fund balance adjustments totaling \$1,729,970.

The Special Reserve Fund has a total fund balance of \$323,189. The decrease in fund balance during the current year in the Special Reserve Fund was \$1,572,458, which is mostly due to the fund balance adjustment of \$1,700,000.

The Grant and Gift Fund has a total fund balance of \$492,487. The increase in fund balance during the current year in the Grant and Gift Fund was \$72,279. The Library received more gifts and donations during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Library did not amend its budget for the fiscal year ended June 30, 2022; therefore, the amounts shown as original and final budget are the same.

Significant differences between the budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$872,020 (unfavorable) and was primarily attributable to collecting less than anticipated property taxes, impact fees and photocopier income.
- The difference between the estimated expenditures and the actual expenditures was \$1,482,029 (favorable) and was primarily attributable to less than expected library general government, library operations, and capital outlay expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Library's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$5,707,545 (net of accumulated depreciation). This investment in capital assets includes land, parking lot, fine art, building, landscaping, equipment and furnishings, and collection. The total decrease in the Library's investment in capital assets for the current fiscal year was \$347,647.

The following are significant capital asset activities for the year ended June 30, 2022:

- Boiler and Expansion Tank - \$14,431
- Apple MacBook Pro - \$3,539
- Lenovo Think Pads - \$4,024
- iMac Computer - \$3,389
- Collection Additions - \$161,524

The following table presents a summary of capital assets for the years ended June 30, 2022 and 2021:

McHenry Public Library District's Capital Assets
(net of depreciation)

	Governmental Activities	
	2022	2021
Land	\$ 1,245,836	\$ 1,245,836
Fine Art	18,600	18,600
Parking Lot	183,585	201,985
Building	2,684,120	2,783,718
Landscaping	6,418	7,150
Equipment and Furnishings	321,500	402,362
Collection	1,247,486	1,395,541
Total	<u>\$ 5,707,545</u>	<u>\$ 6,055,192</u>

Additional information on the Library's capital assets can be found in Note 4 to the financial statements.

The Library had no outstanding debt as of June 30, 2022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The equalized assessed valuation (EAV) for the Library for 2021 is \$1,187,107,464. This represents an EAV increase of \$55,949,545 (4.9%) from the prior year. This increase will affect the calculation of the

Library's property tax revenue and was considered in preparing the Library's budget for the 2023 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of McHenry Public Library District's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, McHenry Public Library District, 809 North Front Street, McHenry, IL 60050-5578.

BASIC FINANCIAL STATEMENTS

MCHENRY PUBLIC LIBRARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,917,274
Property Taxes Receivable, Net of Allowance of \$33,668	1,592,529
Annexation Impact Fees Receivable, Net of Allowance of \$0	3,040
Developer Donations Receivable, Net of Allowance of \$0	8,900
Grants Receivable, Net of Allowance of \$0	500
Prepaid Items	180,914
Net Pension Asset - IMRF	263,785
Capital Assets	
Land	1,245,836
Fine Art	18,600
Depreciable Building, Equipment and Furnishings, and Collection, Net of Depreciation	4,443,109
TOTAL ASSETS	<u>\$ 11,674,487</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Expense - IMRF	\$ 144,006
Total Deferred Outflows of Resources	<u>\$ 144,006</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 22,274
Accrued Payroll	37,592
Accrued Payroll Taxes	2,759
IMRF Payable	210
Noncurrent Liabilities	
Due Within One Year	36,768
Due in More Than One Year	237,361
TOTAL LIABILITIES	<u>\$ 336,964</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Property Taxes	\$ 3,333,147
Pension Revenue - IMRF	868,204
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 4,201,351</u>
NET POSITION	
Investment in Capital Assets	\$ 5,707,545
Unrestricted/(Deficit)	1,572,633
TOTAL NET POSITION	<u>\$ 7,280,178</u>

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

MCHENRY PUBLIC LIBRARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs				
Governmental Activities				
General Government	\$ 101,041	\$ -	\$ -	\$ (101,041)
Library Operations	2,531,753	33,888	133,718	(2,364,147)
	\$ 2,632,794	\$ 33,888	\$ 133,718	\$ (2,465,188)
General Revenues				
Taxes				
Property Taxes				\$ 3,271,483
Developer Fees				127,092
Unrestricted Investment Earnings				1,245
Other Income				39,362
Total General Revenues and Transfers				\$ 3,439,182
Change in Net Position				\$ 973,994
Net Position - Beginning of Year				6,276,214
Prior Period Adjustment (Note 11)				29,970
Net Position - End of Year				\$ 7,280,178

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

MCHENRY PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2022

	General Fund	Special Reserve Fund	Grant and Gift Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,114,038	\$ 311,249	491,987	\$ 3,917,274
Property Taxes Receivable, Net of Allowance of \$33,668	1,592,529	-	-	1,592,529
Annexation Impact Fees Receivable, Net of Allowance of \$0	-	3,040	-	3,040
Developer Donations Receivable, Net of Allowance of \$0	-	8,900	-	8,900
Grants Receivable, Net of Allowance of \$0	-	-	500	500
Prepaid Items	180,914	-	-	180,914
TOTAL ASSETS	\$ 4,887,481	\$ 323,189	\$ 492,487	\$ 5,703,157
LIABILITIES				
Accounts Payable	\$ 22,274	\$ -	\$ -	\$ 22,274
Accrued Payroll	37,592	-	-	37,592
Accrued Payroll Taxes	2,759	-	-	2,759
IMRF Payable	210	-	-	210
TOTAL LIABILITIES	\$ 62,835	\$ -	\$ -	\$ 62,835
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 3,333,147	\$ -	\$ -	\$ 3,333,147
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,333,147	\$ -	\$ -	\$ 3,333,147
FUND BALANCES				
Nonspendable				
Prepaid Items	\$ 180,914	\$ -	\$ -	\$ 180,914
Committed				
Capital Projects	-	323,189	492,487	815,676
Unassigned	1,310,585	-	-	1,310,585
TOTAL FUND BALANCES	\$ 1,491,499	\$ 323,189	\$ 492,487	\$ 2,307,175
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,887,481	\$ 323,189	\$ 492,487	\$ 5,703,157

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

MCHENRY PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 YEAR ENDED JUNE 30, 2022

Fund Balances - Total Governmental Funds \$ 2,307,175

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	\$ 10,577,796	
Less: Accumulated Depreciation	<u>(4,870,251)</u>	
		5,707,545

Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.

Pension Deferred Outflows - IMRF	\$ 144,006	
Pension Deferred Inflows - IMRF	<u>(868,204)</u>	
		(724,198)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	\$ (36,768)	
Total OPEB Liability - IMRF	(237,361)	
Net Pension Asset - IMRF	<u>263,785</u>	
		<u>(10,344)</u>

Net Position of Governmental Activities \$ 7,280,178

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

MCHENRY PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2022

	General Fund	Special Reserve Fund	Grant and Gift Fund	Total Governmental Funds
REVENUES				
Property Taxes	\$ 3,271,483	\$ -	\$ -	\$ 3,271,483
CCS/LLSAP	7,243	-	-	7,243
Developer Fees	-	127,092	-	127,092
Fines	16,108	-	-	16,108
Interest	588	450	207	1,245
Photocopier Income	12,973	-	-	12,973
Program Fees/Miscellaneous Fees	513	-	-	513
Staff Cobra/Insurance Payments	4,393	-	-	4,393
Meeting Room Fees	45	-	-	45
Lost or Damaged Materials	4,083	-	-	4,083
Dividends	255	-	-	255
Collection Agency Fees	166	-	-	166
Special Credits	4,800	-	-	4,800
Other Income	22,492	-	-	22,492
Gifts and Donations	-	-	70,942	70,942
Per Capita Grant	-	-	61,984	61,984
Miscellaneous Grants	-	-	792	792
Miscellaneous Income	-	-	179	179
	<u>\$ 3,345,142</u>	<u>\$ 127,542</u>	<u>\$ 134,104</u>	<u>\$ 3,606,788</u>
EXPENDITURES				
Current				
General Government	\$ 101,041	\$ -	\$ -	\$ 101,041
Library Operations	2,202,985	-	61,825	2,264,810
Capital Outlay	338,382	-	-	338,382
	<u>\$ 2,642,408</u>	<u>\$ -</u>	<u>\$ 61,825</u>	<u>\$ 2,704,233</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 702,734	\$ 127,542	\$ 72,279	\$ 902,555
OTHER FINANCING SOURCES/(USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 702,734	\$ 127,542	\$ 72,279	\$ 902,555
FUND BALANCES - JULY 1, 2021	(941,205)	1,895,647	420,208	1,374,650
FUND BALANCE ADJUSTMENT (NOTE 11)	<u>1,729,970</u>	<u>(1,700,000)</u>	<u>-</u>	<u>29,970</u>
FUND BALANCES - JUNE 30, 2022	<u>\$ 1,491,499</u>	<u>\$ 323,189</u>	<u>\$ 492,487</u>	<u>\$ 2,307,175</u>

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

MCHENRY PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 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 - Total Governmental Funds \$ 902,555

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlays	\$ 200,480	
Depreciation Expense	(527,962)	
		(327,482)

Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Gain/(Loss) on the Disposal of Capital Assets	\$ (20,165)	
Compensated Absences	13,654	
OPEB Expense - IMRF	92,047	
Pension Expense - IMRF	158,464	
		244,000

Employer Pension/OPEB Contributions are expensed in the fund financial statements but treated as a reduction in the Net Pension/OPEB Liability on the government-wide financial statements.

OPEB Benefit Payments - IMRF	\$ 18,657	
Employer Pension Contributions - IMRF	136,264	
		154,921

Change in Net Position of Governmental Activities \$ 973,994

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

MCHENRY PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McHenry Public Library District (Library) is a public library organized under Chapter 75 of the Illinois Compiled Statutes. It operates under the direction of a Board of Trustees, which has responsibility and control over all activities related to the Library within the district and provides library facilities in an area generally defined by the City of McHenry.

The Library's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting principles used by the Library are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Library. Component units are legally separate entities for which the Library (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Library's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Library. Using these criteria, the Library has no component units. In addition, the Library is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund (reporting the Library's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the Library as governmental activities. The Library does not have any business-type activities.

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Library's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unassigned investment earnings, other income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues must be directly associated with the function (general government and library operations). Operating grants include operating specific grants and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants. The Library received no capital grants during the year ended June 30, 2022.

NOTES TO FINANCIAL STATEMENTS (Continued)

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, unassigned investment earnings, other income, etc.). The Library does not allocate indirect costs.

The government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

In the fund financial statements, the "economic resources" measurement focus is used as appropriate.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, and expenditures of all governmental funds) for the determination of major funds. The Library electively made all funds major.

The following fund types are used by the Library:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Library:

General Fund – The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

Grant and Gift Fund – The Grant and Gift Fund is a special revenue fund used to account for the proceeds from specific revenue sources that are designated for specific purposes.

Special Reserve Fund – The Special Reserve Fund is a capital projects fund used to account for the accumulation of funds to be used for building or land acquisition, building expansion, and/or to furnish and equip a library building.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. *Accrual*

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other nonexchange revenues, including governmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. *Modified Accrual*

The governmental funds' financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e.,

NOTES TO FINANCIAL STATEMENTS (Continued)

both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. *Cash and Cash Equivalents*

Separate bank accounts are not maintained for all Library funds. Instead, the funds maintain their cash balances in a money market account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

No Library fund had a cash overdraft at June 30, 2022.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

F. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

G. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Building	10-50 years
Equipment and Furnishings	5-20 years
Collection	4-10 years

H. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and, therefore, will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resource until that time.

I. *Compensated Absences*

The Library accrues accumulated unpaid vacation and personal leave when earned by the employee.

J. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

NOTES TO FINANCIAL STATEMENTS (Continued)

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash, or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Pursuant to resolution 2010/2011-3 by the Board of Trustees, the Executive Director has been delegated this authority.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Library itself.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The Library permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

K. *Property Tax Revenue*

The Library's property tax is levied each calendar year on all taxable real property located in the Library's district on or before the last Tuesday in December. The 2021 levy was passed by the Board on October 19, 2021. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Library receives significant distributions of tax receipts approximately one month after these dates.

L. *Expenditures*

Expenditures are recognized when the related fund liability is incurred. Expendable supplies held for the Library's use are reported as expense in the period when purchased, rather than in the period when used.

M. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS

The Library is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Sections 235/2 and 235/6.

Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's policy is to have deposits secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). The Library's Board of Trustees approves and designates authorized depository institutions. As of June 30, 2022, none of the Library's bank balance of \$3,953,817 was exposed to custodial credit risk.

NOTE 3 - FAIR VALUE MEASUREMENT

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

The Library had no fair value measurements as of June 30, 2022.

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,245,836	\$ -	\$ -	\$ 1,245,836
Fine Art	18,600	-	-	18,600
Total Capital Assets not being depreciated	<u>\$ 1,264,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,264,436</u>
Other Capital Assets:				
Building	\$ 4,528,711	\$ 14,431	\$ -	\$ 4,543,142
Parking Lot	368,003	-	-	368,003
Landscaping	14,653	-	-	14,653
Equipment and Furnishings	1,489,693	24,525	6,352	1,507,866
Collection	2,948,373	161,524	230,201	2,879,696
Total Other Capital Assets at Historical Cost	<u>\$ 9,349,433</u>	<u>\$ 200,480</u>	<u>\$ 236,553</u>	<u>\$ 9,313,360</u>
Less Accumulated Depreciation for:				
Building	\$ 1,744,993	\$ 114,029	\$ -	\$ 1,859,022
Parking Lot	166,018	18,400	-	184,418
Landscaping	7,503	732	-	8,235
Equipment and Furnishings	1,087,331	105,387	6,352	1,186,366
Collection	1,552,832	289,414	210,036	1,632,210
Total Accumulated Depreciation	<u>\$ 4,558,677</u>	<u>\$ 527,962</u>	<u>\$ 216,388</u>	<u>\$ 4,870,251</u>
Other Capital Assets, Net	<u>\$ 4,790,756</u>	<u>\$ (327,482)</u>	<u>\$ 20,165</u>	<u>\$ 4,443,109</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,055,192</u>	<u>\$ (327,482)</u>	<u>\$ 20,165</u>	<u>\$ 5,707,545</u>

Depreciation expense charged to library operations was \$527,962 for the year ended June 30, 2022.

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

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

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance			Amounts	
	July 1, 2021	Additions	Retirements	Balance	Due Within
				June 30, 2022	One Year
Governmental Activities:					
Other Long-Term Obligations					
Compensated Absences	\$ 50,422	\$ 13,654	\$ 27,308	\$ 36,768	\$ 36,768
Total OPEB Liability - IMRF	348,065	-	110,704	237,361	-
	<u>\$ 398,487</u>	<u>\$ 13,654</u>	<u>\$ 138,012</u>	<u>\$ 274,129</u>	<u>\$ 36,768</u>

The compensated absences and OPEB liabilities will be liquidated by the General Fund.

NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2021 tax levy. The unavailable revenue is 100% of the 2021 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the Library does not consider the amounts to be available and does not budget for their use in fiscal year 2022. The Library has determined that 100% of the amounts collected for the 2020 levy are allocable for use in fiscal year 2022. Therefore, 100% of the amounts collected for the 2020 levy (\$3,271,483) are recorded in these financial statements as property taxes revenue. A summary of the assessed valuations and extensions for tax years 2021, 2020, and 2019 are as follows:

	2021		2020		2019	
Assessed Valuation	\$1,187,107,464		\$1,131,157,919		\$1,074,148,895	
	Rate	Extension	Rate	Extension	Rate	Extension
General	0.2826	\$ 3,354,410	0.2899	\$ 3,279,679	0.2961	\$ 3,180,662
Revenue Recapture	0.0010	12,405	-	-	-	-
	<u>0.2836</u>	<u>\$ 3,366,815</u>	<u>0.2899</u>	<u>\$ 3,279,679</u>	<u>0.2961</u>	<u>\$ 3,180,662</u>

NOTE 7 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2022, no fund had expenditures that exceeded the budget.

NOTE 8 - RETIREMENT FUND COMMITMENTS

A. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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 ten 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 ten 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

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	31
Inactive plan members entitled to but not yet receiving benefits	50
Active plan members	30
Total	<u>111</u>

Contributions

As set by statute, the Library'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 Library's annual contribution rate for calendar years 2021 and 2022 were 11.49% and 9.90%, respectively. For the fiscal year ended June 30, 2022, the Library contributed \$136,264 to the plan. The Library 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

The components of the net pension liability of the IMRF actuarial evaluation performed as of December 31, 2019, and a measurement date as of December 31, 2021, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 7,190,891
IMRF Fiduciary Net Position	7,454,676
District's Net Pension Liability	(263,785)
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	103.67%

NOTES TO FINANCIAL STATEMENTS (Continued)

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial methods and assumptions:

Assumptions:

Inflation	2.25%
Salary Increases	2.85% - 13.75% including inflation
Interest Rate	7.25%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study for the period 2017-2019.

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 were used. 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 were used. 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 were used.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

Asset Class	Target	Projected
Equities	39%	1.90%
International Equities	15%	3.15%
Fixed Income	25%	-0.60%
Real Estate	10%	3.30%
Alternatives	10%	
Private Equity		5.50%
Hedge Funds		N/A
Commodities		1.70%
Cash Equivalents	1%	-0.90%
	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

NOTES TO FINANCIAL STATEMENTS (Continued)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2020	\$ 6,877,728	\$ 6,577,911	\$ 299,817
Changes for the year:			
Service Cost	\$ 144,516	\$ -	\$ 144,516
Interest on the Total Pension Liability	488,383	-	488,383
Differences Between Expected and Actual Experience of the Total Pension Liability	107,615	-	107,615
Contributions - Employer	-	149,852	(149,852)
Contributions - Employee	-	59,380	(59,380)
Net Investment Income	-	1,070,653	(1,070,653)
Benefit Payments, including Refunds of Employee Contributions	(427,351)	(427,351)	-
Other (Net Transfer)	-	24,231	(24,231)
Net Changes	\$ 313,163	\$ 876,765	\$ (563,602)
Balances at December 31, 2021	\$ 7,190,891	\$ 7,454,676	\$ (263,785)

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 than the current rate:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 582,489	\$ (263,785)	\$ (942,125)

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

For the year ended June 30, 2022, the Library recognized pension income of \$158,464. At June 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 76,373	\$ 48,134	\$ 28,239
Changes of assumptions	-	19,106	(19,106)
Net difference between projected and actual earnings on pension plan investments	-	800,964	(800,964)
Total deferred amounts to be recognized in pension expense in future periods	\$ 76,373	\$ 868,204	\$ (791,831)
Pension contributions made subsequent to the measurement date	67,633	-	67,633
Total deferred amounts related to pensions	\$ 144,006	\$ 868,204	\$ (724,198)

NOTES TO FINANCIAL STATEMENTS (Continued)

\$67,633 reported as deferred outflows of resources related to pensions resulting from the Library’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2022	\$ (201,240)
2023	(273,156)
2024	(197,280)
2025	(120,155)
Total	\$ (791,831)

B. *Social Security*

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered “non-participating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Library paid the total required contribution for the current fiscal year.

NOTE 9 - POST RETIREMENT HEALTH PLAN

Plan Overview

In addition to providing the pension benefits described in Note 8, the Library provides post-employment benefits other than pensions (“OPEB”) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Library and can be amended by the Library through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Library governmental activities.

Benefits Provided

The Library provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Library’s retirement plans or meet COBRA requirements. All health care benefits are provided through the Library’s insured health plan. The benefit levels are the same as those afforded to active employees.

The Plan does not issue a stand-alone financial report.

Membership

Membership in the plan consisted of the following at July 1, 2021, the date of the latest actuarial valuation:

Active Employees	30
Inactive Employees Entitled to but not yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	1
Total	<u>31</u>

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

NOTES TO FINANCIAL STATEMENTS (Continued)

Total OPEB Liability

The Library’s total OPEB liability was measured as of June 30, 2022, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal
Discount rate	3.54%
Inflation	2.25%
Salary Rate Increase	2.50%
Health Care Trend	
	Initial Trend Rate 7.2% - 7.7%
	Ultimate Trend Rate 5.00%
	FY the Ultimate Rate is Reached 2031
Mortality	PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females
Retirement	Based on Rates from IMRF Experience Study Report dated December 14, 2020; Age 61 for Tier I, Age 62 for Tier II
Termination	Based on Rates from IMRF Experience Study Report dated December 14, 2020
Election at Retirement	30% of IMRF employees are assumed to elect coverage at retirement
Marital Status	50% of employees electing coverage continuation are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

The actuarial assumptions used in the July 1, 2021 valuation were based on the Alternative Measurement Method guidance. Assumption changes reflect a change in the discount rate of 1.38%, from 2.16% for the beginning of the year values and 3.54% for the disclosure date.

There is no long-term expected rate of return on OPEB plan investments because the Library does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

The Library does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa2 or higher (or equivalent quality on another rating scale).

A rate of 3.54% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate index as of June 30, 2022.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2021	\$ 348,065	\$ -	\$ 348,065
Changes for the year:			
Service Cost	\$ 6,711	\$ -	\$ 6,711
Interest on Total OPEB Liability	7,317	-	7,317
Assumption Changes	(106,075)	-	(106,075)
Contributions - Employer	-	18,657	(18,657)
Benefit Payments	(18,657)	(18,657)	-
Net Changes	\$ (110,704)	\$ -	\$ (110,704)
Balances at June 30, 2022	\$ 237,361	\$ -	\$ 237,361

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Valuation Rate	1% Increase
2.54%	3.54%	4.54%
\$ 268,318	\$ 237,361	\$ 212,819

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Valuation Rate	1% Increase
\$ 209,783	\$ 237,361	\$ 271,737

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the Library recognized OPEB income of \$92,047. At June 30, 2022, the Library reported no deferred outflows of resources and deferred inflows of resources related to the OPEB. For purposes of recognizing the change in total OPEB liability in pension expense, all changes are recognized immediately under the Alternative Measurement Method provisions of GASB 75.

NOTE 10 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Library purchases commercial insurance to handle these risks of loss. During fiscal year 2022, there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Library is insured under a retrospectively-rated policy for workers’ compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2022, there were no significant adjustments in premiums based on actual experience.

NOTE 11 - FUND BALANCE/NET POSITION ADJUSTMENTS

A fund balance adjustment of \$1,700,000 was made to record a transfer between the Special Reserve Fund and the General Fund in order to increase the fund balance in the General Fund which was previously negative. This transfer was retroactive to July 1, 2021.

An additional fund balance/net position adjustment of \$29,970 was made to restate the balance as of June 30, 2021. This adjustment was related to prior year expenditures that should have been classified as prepaid amounts.

NOTES TO FINANCIAL STATEMENTS (Continued)

The total fund balance adjustment for the current year was \$1,729,970.

The total net position adjustment for the current year was \$29,970.

NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE

The Library has implemented GASB Statement No. 87, *Leases*. This statement establishes financial reporting standards related to leases. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

REQUIRED SUPPLEMENTARY INFORMATION

MCHENRY PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2022

	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY								
Service Cost	\$ 144,516	\$ 180,751	\$ 174,998	\$ 167,256	\$ 179,171	\$ 172,857	\$ 167,731	\$ 169,550
Interest on the Total Pension Liability	488,383	480,669	449,284	420,121	405,595	370,239	335,182	295,518
Differences Between Expected and Actual Experience	107,615	(135,796)	66,133	50,178	(10,876)	98,135	90,749	(16,836)
Changes of Assumptions	-	(48,104)	-	182,340	(167,659)	(22,040)	6,836	193,145
Benefit Payments, Including Refunds of Member Contributions	(427,351)	(278,670)	(242,121)	(214,585)	(198,617)	(142,883)	(112,637)	(97,231)
Net Change in Total Pension Liability	\$ 313,163	\$ 198,850	\$ 448,294	\$ 605,310	\$ 207,614	\$ 476,308	\$ 487,861	\$ 544,146
Total Pension Liability - Beginning	6,877,728	6,678,878	6,230,584	5,625,274	5,417,660	4,941,352	4,453,491	3,909,345
Total Pension Liability - Ending	\$ 7,190,891	\$ 6,877,728	\$ 6,678,878	\$ 6,230,584	\$ 5,625,274	\$ 5,417,660	\$ 4,941,352	\$ 4,453,491
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 149,852	\$ 192,184	\$ 186,332	\$ 204,702	\$ 186,873	\$ 179,311	\$ 174,334	\$ 156,868
Contributions - Member	59,380	75,288	77,639	77,675	71,326	69,501	79,434	64,762
Net Investment Income	1,070,653	803,378	880,790	(240,691)	699,400	259,968	18,808	208,603
Benefit Payments, Including Refunds of Member Contributions	(427,351)	(278,670)	(242,121)	(214,585)	(198,617)	(142,883)	(112,637)	(97,231)
Other (Net Transfers)	24,231	35,544	28,319	89,067	(27,125)	15,516	(61,120)	449
Net Change in Plan Fiduciary Net Position	\$ 876,765	\$ 827,724	\$ 930,959	\$ (83,832)	\$ 731,857	\$ 381,413	\$ 98,819	\$ 333,451
Plan Net Position - Beginning	6,577,911	5,750,187	4,819,228	4,903,060	4,171,203	3,789,790	3,690,971	3,357,520
Plan Net Position - Ending	\$ 7,454,676	\$ 6,577,911	\$ 5,750,187	\$ 4,819,228	\$ 4,903,060	\$ 4,171,203	\$ 3,789,790	\$ 3,690,971
District's Net Pension Liability	\$ (263,785)	\$ 299,817	\$ 928,691	\$ 1,411,356	\$ 722,214	\$ 1,246,457	\$ 1,151,562	\$ 762,520
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.67%	95.64%	86.10%	77.35%	87.16%	76.99%	76.70%	82.88%
Covered Payroll	\$ 1,346,874	\$ 1,658,189	\$ 1,607,694	\$ 1,700,189	\$ 1,585,013	\$ 1,544,455	\$ 1,495,144	1,447,866
Employer's Net Pension Liability as a Percentage of Covered Payroll	-19.58%	18.08%	57.77%	83.01%	45.57%	80.71%	77.02%	52.67%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

See Accompanying Independent Auditor's Report

MCHENRY PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2022

	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 154,756	\$ 192,184	\$ 186,332	\$ 204,703	\$ 186,873	\$ 179,311	\$ 174,334	\$ 157,817
Contributions in Relation to Actuarially-Determined Contribution	149,852	192,184	186,332	204,702	186,873	179,311	174,334	156,868
Contribution Deficiency/(Excess)	\$ 4,904	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	949
Covered Payroll	\$ 1,323,156	\$ 1,513,570	\$ 1,753,423	\$ 1,582,867	\$ 1,636,546	\$ 1,544,455	\$ 1,495,144	1,447,866
Contributions as a Percentage of Covered Payroll	11.33%	12.70%	10.63%	12.93%	11.42%	11.61%	11.66%	10.83%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2021 Contribution Rate *

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

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 22-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.25%

Price Inflation: 2.50%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.25%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

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

*Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation; note two year lag between valuation and rate setting.

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

See Accompanying Independent Auditor's Report

MCHENRY PUBLIC LIBRARY DISTRICT
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2022

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
TOTAL OPEB LIABILITY					
Service Cost	\$ 6,711	\$ 9,885	\$ 1,398	\$ 11,601	\$ 11,169
Interest	7,317	8,772	12,975	14,056	14,176
Differences Between Expected and Actual Experience	-	(61,985)	900,607	-	-
Benefit Payments	(18,657)	(42,999)	(34,761)	(28,541)	(28,339)
Changes in Assumptions	(106,075)	15,970	(849,907)	13,512	-
Net Change in Total OPEB Liability	<u>\$ (110,704)</u>	<u>\$ (70,357)</u>	<u>\$ 30,312</u>	<u>\$ 10,628</u>	<u>\$ (2,994)</u>
Total OPEB Liability - Beginning	<u>348,065</u>	<u>418,422</u>	<u>388,110</u>	<u>377,482</u>	<u>380,476</u>
Total OPEB Liability - Ending	<u><u>\$ 237,361</u></u>	<u><u>\$ 348,065</u></u>	<u><u>\$ 418,422</u></u>	<u><u>\$ 388,110</u></u>	<u><u>\$ 377,482</u></u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 661,457	\$ 506,523	\$ 465,978	\$ 293,563	\$ 286,403
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	35.88%	68.72%	89.79%	132.21%	131.80%

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

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There is no actuarially-determined contribution (ADC) or employer contribution in relation to the ADC as the total OPEB liabilities are currently an unfunded obligation.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.

The following are the discount rates used in each period:	3.54%	2.16%	2.21%	2.79%	2.98%
---	-------	-------	-------	-------	-------

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

* - Covered-Employee Payroll is the same as the prior year due to the valuation being a rollforward instead of a new valuation.

MCHENRY PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 4,099,599	\$ 3,271,483
CCS/LLSAP	15,625	7,243
Annexation Impact Fees	25,000	-
Fines	6,875	16,108
Interest	625	588
Photocopier Income	26,250	12,973
Program Fees/Miscellaneous Fees	4,063	513
Staff Cobra/Insurance Payments	18,750	4,393
Meeting Room Fees	1,875	45
Lost or Damaged Materials	6,875	4,083
Dividends	375	255
Collection Agency Fees	625	166
Special Credits	3,125	4,800
Other Income	7,500	22,492
TOTAL REVENUES	\$ 4,217,162	\$ 3,345,142
EXPENDITURES		
Current		
General Government		
Professional Services	\$ 152,500	\$ 55,943
Printing, Publications and Postage	71,250	45,098
	\$ 223,750	\$ 101,041
Library Operations		
Utilities	\$ 43,750	\$ 31,416
Contracted Services	140,500	77,795
Catalog and Network	180,000	128,532
Personnel Expense	2,697,500	1,816,322
Miscellaneous Operating Expenses	195,500	148,920
	\$ 3,257,250	\$ 2,202,985
Total Current	\$ 3,481,000	\$ 2,304,026
Capital Outlay		
Library Operations		
Materials and Supplies	\$ 557,187	\$ 301,880
Library Furnishings	18,750	10,824
Library Equipment	11,875	1,251
Small Equipment	5,625	90
Additional Capital Projects	50,000	24,337
	\$ 643,437	\$ 338,382
TOTAL EXPENDITURES	\$ 4,124,437	\$ 2,642,408
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 92,725	\$ 702,734
OTHER FINANCING SOURCES/(USES)		
Interfund Transfers	(87,500)	-
NET CHANGE IN FUND BALANCE	\$ 5,225	\$ 702,734
FUND BALANCES - JULY 1, 2021		(941,205)
FUND BALANCE ADJUSTMENT (NOTE 11)		1,729,970
FUND BALANCES - JUNE 30, 2022		\$ 1,491,499

See Accompanying Independent Auditor's Report

MCHENRY PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
GRANT AND GIFT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Interest	\$ 1,000	\$ 207
Gifts and Donations	150,000	70,942
Per Capita Grant	140,000	61,984
Miscellaneous Grants	80,000	792
Miscellaneous Income	-	179
TOTAL REVENUES	\$ 371,000	\$ 134,104
EXPENDITURES		
Current		
Library Operations		
Operating Fund Gifts	\$ 300,000	\$ 7,686
FY 2022 Per Capita Grant		
Capital Outlay	139,000	53,114
Miscellaneous Grants	80,000	1,025
Total Current	\$ 519,000	\$ 61,825
TOTAL EXPENDITURES	\$ 519,000	\$ 61,825
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (148,000)	\$ 72,279
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (148,000)	\$ 72,279
FUND BALANCES - JULY 1, 2021		420,208
FUND BALANCES - JUNE 30, 2022		\$ 492,487

See Accompanying Independent Auditor's Report

MCHENRY PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 - BUDGETARY PROCESS

Annual budgets are legally adopted and separately reported for all funds of the Library. The budget was passed on September 21, 2021. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library Director requests input on the needs of the different departments of the Library.
2. The Library Director uses this input to prepare a preliminary budget.
3. The staff and Library Director then go over the preliminary budget and make any necessary adjustments.
4. The revised budget is then submitted to the budget committee, who goes over it and makes any changes with the Library Director.
5. The budget is then presented to and reviewed by the Board at a public hearing.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2022, no fund presented as Required Supplementary Information had expenditures that exceeded the budget.

SUPPLEMENTAL FINANCIAL INFORMATION

MCHENRY PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
SPECIAL RESERVE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Developer Fees	\$ 100,000	\$ 127,092
Interest	2,000	450
Other Income	1,000	-
Gifts and Donations	10,000	-
TOTAL REVENUES	\$ 113,000	\$ 127,542
EXPENDITURES		
Current		
Capital Outlay	\$ 500,000	\$ -
TOTAL EXPENDITURES	\$ 500,000	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (387,000)	\$ 127,542
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (387,000)	\$ 127,542
FUND BALANCES - JULY 1, 2021		1,895,647
FUND BALANCE ADJUSTMENT (NOTE 11)		(1,700,000)
FUND BALANCES - JUNE 30, 2022		\$ 323,189

See Accompanying Independent Auditor's Report