

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**GENERAL PURPOSE FINANCIAL REPORT**  
For the Year Ended June 30, 2022

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

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# *Pehlman & Dold, P.C.*

**CERTIFIED PUBLIC ACCOUNTANTS**

Joseph E. Pehlman, C.P.A. (1941 – 1984)  
Joseph B. Dold, C.P.A. (1953 – 2005)  
Robert E. Ritter, C.P.A., Retired  
J. Timothy Cravens, C.P.A., Retired  
Dorinda L. Fitzgerald, C.P.A., Retired

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February 9, 2023

To the Board of Trustees  
Rochester Public Library District  
Rochester, IL

## ***INDEPENDENT AUDITOR'S REPORT***

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rochester Public Library District, Rochester, Illinois (the Library), 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rochester Public Library District, Rochester, Illinois, as of June 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Rochester Public Library District, Rochester, Illinois's basic financial statements. The budgetary comparison information, the combining and individual nonmajor fund financial statements and the Schedule of Funding Progress relative to Illinois Municipal Retirement Fund 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Rochester Public Library District, Rochester, Illinois' basic financial statements. The Schedule of Assessed Valuations, Rates, Extensions and Collections and the Schedule of Legal Debt Margin are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,

***Pehlman & Dold, P.C.***

PEHLMAN & DOLD, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
SPRINGFIELD, ILLINOIS

***FINANCIAL STATEMENTS***

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
 Rochester, Illinois  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**STATEMENT OF NET POSITION**  
**MODIFIED CASH BASIS**  
 June 30, 2022

	<u>Government Activities</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and investments	\$ 604,426
Certificates of deposit	87,971
Employee deductions	<u>192</u>
	<u>692,589</u>
<b>Non-current Assets:</b>	
Capital assets (net of depreciation)	<u>328,723</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,021,312</u></b>
<b>Deferred Outflow of Resources</b>	
Deferred outflows - IMRF	\$ <u>134,475</u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Credit card liabilities	\$ 2,452
Fund shortage	7,665
Payroll liabilities	<u>1,619</u>
	<u>11,736</u>
<b>Non-current Liabilities:</b>	
Net pension liability	<u>83,247</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 94,983</u></b>
<b>Deferred Inflow of Resources</b>	
Deferred inflows - IMRF	\$ <u>35,988</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 328,723
Unrestricted	<u>703,758</u>
<b>TOTAL NET POSITION</b>	<b><u>\$1,032,481</u></b>

The notes to the financial statements are an integral part of this statement.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**STATEMENT OF ACTIVITIES**  
**MODIFIED CASH BASIS**  
**For the Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental <u>Activities</u>
		<u>Fines and Fees</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities</b>				
Culture and recreations	\$(555,056)	\$ 6,073	\$ 60,858	\$( 488,125)
<b>Total governmental activities</b>	<u>(555,056)</u>	<u>6,073</u>	<u>60,858</u>	<u>( 488,125)</u>
 <i>General revenues</i>				
Taxes:				
Property taxes				510,837
Interest earned				<u>20,355</u>
<b>Total general revenues</b>				<u>531,192</u>
Change in net position				43,067
<b>Net Assets</b> – July 1, 2021				<u>660,691</u>
<b>Net Assets</b> – June 30, 2022				<u>\$ 703,758</u>

The notes to the financial statements are an integral part of this statement.





**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**GOVERNMENTAL FUNDS**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**MODIFIED CASH BASIS**  
**June 30, 2022**

		Special Revenue Funds	
	<u>General Fund</u>	<u>Other Non-major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$604,426	\$	\$ 604,426
Certificates of deposit	87,971		97,971
Employee deduction	<u>192</u>	<u>          </u>	<u>192</u>
<b>TOTAL ASSETS</b>	<b><u>\$692,589</u></b>	<b><u>\$          </u></b>	<b><u>\$692,589</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Credit card liabilities	\$ 2,452	\$	\$ 2,452
Fund shortage		7,665	7,665
Payroll liabilities	<u>1,619</u>	<u>          </u>	<u>1,619</u>
<b>Total current liabilities</b>	<b><u>4,071</u></b>	<b><u>7,665</u></b>	<b><u>11,736</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 4,071</u></b>	<b><u>\$ 7,665</u></b>	<b><u>\$ 11,736</u></b>
<b>FUND BALANCES</b>			
Unassigned	<u>688,518</u>	<u>( 7,665)</u>	
<b>Total fund balances</b>	<b><u>688,518</u></b>	<b><u>( 7,665)</u></b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$688,518</u></b>		
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.			328,723
Deferred outflows related to long-term assets or liabilities are not due and payable in the current period and therefore not reported in the funds			134,475
Other long-term liabilities are not due and payable in the current period and therefore not reported in the funds.			( 83,247)
Deferred inflows related to long-term assets or liabilities are not current financial resources and therefore are not reported in the funds.			<u>( 35,988)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>			<b><u>\$1,032,481</u></b>

The notes to the financial statements are an integral part of this statement.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**

June 30, 2022

		Special Revenue Funds	
	<u>General Fund</u>	<u>Non-major Funds</u>	Total Governmental Funds
<b>Revenue:</b>			
Property taxes	\$457,594	\$ 53,243	\$510,837
Intergovernmental revenues	11,790		11,790
Fines and fees	6,073		6,073
<i>Other Local Sources:</i>			
Donations and other grants	49,068		49,068
Interest income	<u>20,355</u>		<u>20,355</u>
<b>Total revenue</b>	<u>544,880</u>	<u>53,243</u>	<u>598,123</u>
<b>Expenditures:</b>			
Culture and recreation	501,758	48,180	549,938
Capital outlay	<u>5,118</u>	<u>          </u>	<u>5,118</u>
<b>Total expenditures</b>	<u>506,876</u>	<u>48,180</u>	<u>555,056</u>
<i>Excess (deficit) of revenue over expenditures</i>	38,004	5,063	43,067
<b>Fund Balances</b> – July 1, 2021	<u>658,089</u>	<u>2,602</u>	<u>660,691</u>
<b>Fund Balances</b> – June 30, 2022	<u>\$696,093</u>	<u>\$ 7,665</u>	<u>\$703,758</u>

The notes to the financial statements are an integral part of this statement.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

*Reconciliation to the Statement of Activities*

Net change in fund balances – total governmental funds \$ 43,067

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital outlay	\$ 5,118
Depreciation expense	<u>( 23,002)</u>

This is the amount by which capital outlay additions exceed depreciation expense (17,884)

Governmental funds report current payments of employee benefits as an expense. However, in the Statement of Activities, changes to the long-term assets/deferred outflows or long-term liabilities/deferred inflows is either recognized as additional income or expense.

Net increase in long-term assets/deferred outflows	35,988
Net increase in long-term liabilities/deferred inflows	<u>(134,475)</u>

Change in net assets of governmental activities. \$( 73,304 )

The notes to the financial statements are an integral part of this statement.

***NOTES TO THE BASIC FINANCIAL STATEMENTS***

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 1.     *REPORTING ENTITY, NATURE OF OPERATIONS, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of the Rochester Public Library District have been prepared on a comprehensive basis of accounting other than generally accepted accounting principles (GAAP), which is described later in Note #1. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Library's significant accounting policies are described below.

The Rochester Public Library District (the Library) provides services to citizens of Rochester, Illinois and the surrounding area. The Library is governed by a Board of Trustees and annually adopts a budget, which serves as the Library's primary operating guideline.

*FINANCIAL REPORTING ENTITY*

The Library, for financial purposes, includes all funds relevant to the operation of the Rochester Public Library District.

*BASIS OF PRESENTATION*

*Government-wide Financial Statements* – The Statement of Net Position and the Statement of Activities report information on all of the activities of the primary government.

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-change revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities for the Rochester Public Library District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from services or privileges provided by a given function. Operating grants include those grants that are operating specifically or the use is at the discretion of the Library. Capital grants are specifically designated for capital expenditures.

Taxes and other items not included in program revenue, operating or capital grants are reported as general revenues, the Library does not allocate indirect costs.

Interfund Activity and balances, if any, are eliminated in the government-wide financial statements.

*Fund Financial Statements* – Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Library presently has no proprietary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Library or meets the following criteria:

- a)** Total assets, liability, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b)** Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2022

**Note 1. REPORTING ENTITY, NATURE OF OPERATIONS, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES - continued**

Fund Financial Statements – continued

The Library considers the following as a major fund:

General Fund – reports as the primary operating fund of the Library. This fund is used to account for all financial resources not reported in other funds.

The financial activities of the Library are recorded in individual funds and account groups used to report financial position and results of operations. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations. An account group is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in funds because they do not directly affect net expendable available financial resources. The following fund categories, which are further subdivided into separate “fund types”, are utilized by the Library:

Governmental Fund Types

*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.

*Special Revenue Funds* – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. Any accumulated excess of revenues over expenditures is considered a restricted fund balance.

The Library includes the following as Special Revenue Funds, which all account for specific property tax levies and the related charges:

- ◆ Insurance Fund
- ◆ Social Security Fund
- ◆ Audit Fund

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at their estimated fair value on the donated date.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets useful lives using the straight-line method of depreciation.

Building and building improvements with a useful life of ten years or more and a cost exceeding \$5,000 are capitalized. Machinery, equipment, and furniture with a useful life of five years or more and a cost exceeding \$500 are capitalized.

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

	<u>Years</u>
Building and improvements	50
Machinery and equipment	10
Software	5
Computers	5
Furniture	10

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 1.     **REPORTING ENTITY, NATURE OF OPERATIONS, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES** – *continued***

*Government-Wide Statements - continued*

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset life are not capitalized.

Interest paid on long-term debt associated with the acquisition of capital assets is not capitalized. During the year ended June 30, 2022, the Library expensed \$-0- as interest on long-term debt for governmental activities on the Statement of Activities.

*Fund Financial Statements:*

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary operations are accounted for the same as in the government-wide statements.

*Basis of Accounting/Measurement Focus:*

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. The Library utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund balance, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

*Equity Classification*

*Government-Wide Statements:*

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted net position – Consist of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2022

**Note 1.     REPORTING ENTITY, NATURE OF OPERATIONS, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES - continued**

Deferred Outflows and Deferred Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that period. The Library currently only has one item that qualifies for reporting in this category and it relates to the calculation of the Library's net pension asset or liability. Any adjustments to this category are due to differences between contributions and proportionate share of contributions, differences between estimated and actual investment earnings used to determine the net pension asset or liability, and contributions made after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that period. The Library currently only has one item that qualifies for reporting in this category and it relates to the calculation of the Library's pension asset or liability. Any adjustments to this category are due to differences between expected and actual experience, changes in assumptions, changes or differences between contributions and proportionate share of contribution, differences between estimated and actual investment earnings used to determine the net pension asset or liability.

Fund Financial Statements:

Government Fund Equity is classified as Fund Balance. Fund Balance in Governmental Fund Statement of Assets, Liabilities and Fund Balance is further disaggregated as follows:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments.
- c. Committed – Amounts that can be used only for specific purposes as set forth by resolution or ordinance of the Library's highest level of decision making authority (i.e. the Library Board).
- d. Assigned – Amounts that are designated by the Library Board for a particular purpose, but are neither restricted nor committed. This balance is usually assigned for use in the following year's budget if a legal budget is adopted.
- e. Unassigned – Amounts available for any purpose and not included in other spendable classifications. Unassigned balances pertain only to the General Fund and deficit balances in Governmental Funds other than the General Fund.

*Use of Restricted Resources:*

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Library's practice is to first apply the expense toward restricted resources and then toward unrestricted resources. In Governmental Funds, the Library's practice is to first apply the expenditure toward Restricted Fund Balance and then to other, less-restrictive classifications, Committed and then Assigned Fund Balances, prior to using Unassigned Fund Balance. The Library has not established a formal written and approved policy for use of residual net position and fund balance classification.



**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2022

**Note 1. REPORTING ENTITY, NATURE OF OPERATIONS, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES - continued**

*SIGNIFICANT ACCOUNTING POLICIES*

Capital Assets - The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. The governmental funds modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment depends on whether the capital assets are reported in the government-wide or fund financial statements.

Cash and Investments – Except where otherwise required, the Library maintains all deposits in a bank account in the name of the Library. These deposits are invested on a short-term basis with interest income being allocated to the Funds based on their respective balance. The Library’s investments consist primarily of certificates of deposit. Investments are stated at the lower of cost or market and gains or losses on the sale of investments are recognized upon realization. The Library has no formal investment and cash management policy. The institutions in which investments are made must be approved by the Library’s Board of Trustees.

Interfund Activity – During the course of operations, transactions can occur between individual funds for goods provided or services rendered. These transactions that have not cleared as of the balance sheet date are classified as “due from other funds” and “due to other funds” on the balance sheet. All interfund receivables and payables are considered short-term. Short-term interfund loans are also included in these categories. Operating transfers are the result of Board approval and will not be repaid.

Budget and Budgetary Accounting – The Library adopts an annual budget for the General Fund, and Special Revenue Funds. The annual budget is prepared in accordance with the cash basis of accounting as utilized by the Library funds. Transfers of budgeted amounts within and among funds is approved by the Board and documented by a resolution.

All appropriations lapse at the end of the fiscal year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item level. The original budget and appropriations were adopted on August 19, 2021, amendment was made on September 23, 2021.

Cash Equivalents – The Library considers all cash equivalents to be amounts held in demand deposit accounts and currently available.

Property Taxes – Revenue Recognition – The Library’s property tax is levied each year on all real property located in the District on December 31<sup>st</sup>. The 2022 levy was passed by the board at the October 14, 2021 board meeting and property taxes attached as an enforceable lien on property as of January 1<sup>st</sup>. Taxes are generally payable in two to four installments depending on the County from which taxes are distributed, the first thirty days after bills are sent out, July for the current year through November.

Property tax revenues are recognized as they are received since the Library’s funds operate on the modified cash basis of accounting. A schedule of taxes and rates is presented in the supplementary information section of the report. Taxes recorded on these financial statements are from the 2021 and prior tax levies.

Donations and Various Grants – The Library received donations and various grants that are to be used for the purpose of buying library books and general operation costs.

Book Inventory – Books are expensed when purchased.

Estimates – Management uses estimates and assumptions in preparing financial statements in conformity with the other comprehensive basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 2. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as inter-fund activity and balances in the Fund Financial Statements have been eliminated or reclassified.

*Fund Financial Statements:*

Interfund activity, if any, within and among the Government and Proprietary Fund categories is reported as follows in the Fund Financial statements:

1. Interfund loans (Due to/from other funds) – amounts provided with a requirement for repayment are as due to/from other funds.
2. Interfund services – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

*Government-Wide Financial Statements*

*Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:*

1. Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal balances.
2. Internal activities – amounts reported as interfund transfers in the Fund Financial Statements are eliminated in the Government-Wide Statement of Activities except for the net amount of transfers between governmental and business type activities, which are reported as Transfers – Internal Activities.

**Note 3. CASH DEPOSITS AND INVESTMENTS**

Statutes allow the Library to invest in obligations of the U.S. Treasury or any U.S. Agency whose obligations are guaranteed by the full faith and credit of the United States of America as to principal and interest; interest bearing accounts of banks insured by the Bank Insurance Fund; commercial paper of U.S. Corporations with assets exceeding \$500,000,000 provided the obligations are rated in the 3 highest classifications by at least 2 rating services and mature no later than 180 days from purchase; money market mutual funds registered under the Investment Company Act of 1940; repurchase agreements, interest bearing accounts of savings and loan associations insured by the Savings Association Insurance Fund; dividend bearing accounts of Illinois or Federally chartered credit unions provided such accounts are insured; and the Public Treasurers Investment Pool.

All funds of the Library must be deposited and invested according to these statutes. Depository banks use the Dedicated Method of collateralization, placing approved pledged securities for safekeeping and trust with the Library's agent bank in an amount sufficient to protect Library funds. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance. External investment pools use the Pooling Method of collateralization. Due to the nature of external investment pools, participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral. Collateral is maintained in the name of the investment pool.

The following is disclosed regarding coverage as of June 30, 2022.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 3. CASH DEPOSITS AND INVESTMENTS**

- a) The Total amount of FDIC coverage as of June 30, 2022 was \$750,000.
- b) Dedicated Method: The market value of securities pledged was \$250,000.
- c) Pooling Method: Deposits in external investment pools are fully collateralized.

**(a) Deposits:**

At June 30, 2022, the carrying amount of the Library's deposits (cash and interest bearing demand accounts at financial institutions) was \$604,426 and the bank balance was \$607,329.

The cash deposits held at financial institutions can be categorized according to three levels of risk:

- Category 1: Deposits which are insured or collateralized with securities held by the District or by its agent in the Library's name.
- Category 2: Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Library's name.
- Category 3: Deposits which are not collateralized or insured.

Based on these levels of risk, the Library's cash deposits are classified as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category #1	<u>\$604,426</u>	<u>\$607,329</u>

**(b) Investments:**

Statutes authorize the Library to invest in, but not limited to, interest-bearing time accounts at financial institutions and external investment pools. The carrying value of investments owned at year end was \$87,971, which approximates fair market value.

Similar to cash deposits, investments held at a financial institution can be categorized according to three levels of risk:

- Category 1: Investments that are insured, registered or held by the entity or by its agent in the Library's name.
- Category 2: Investments that are uninsured and unregistered held by the counterparty's trust department or agent in the Library's name.
- Category 3: Uninsured and unregistered investments held by the counterparty, its trust or its agent, but not in the Library's name.

Investments listed below are classified as category 1:

	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Rating</u>	<u>Maturity</u>
Bank & Trust Co. – certificates of deposit	\$ 44,839	44,839	Unrated	9/11/2025
	<u>43,132</u>	<u>43,132</u>	Unrated	9/11/2022
	<u>\$87,971</u>	<u>\$87,971</u>		

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 3. CASH DEPOSITS AND INVESTMENTS**

Interest Rate Risk: The Library has no formal policy on interest rate risk. This is the risk that changes in market interest rates will adversely affect the fair market value of an investment. In general, the longer the maturity, the greater the chance that interest rate changes will adversely affect the investment.

Custodial Credit Risk: The Library has no formal policy on custodial credit risk. This is the risk that in the event of the failure of the counterparty (ie. financial institution) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

Credit Risk: The Library has no formal policy on credit risk. Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration Risk: The Library places no limit on the amount that can be invested with any single issuer. The above certificates of deposit represent 100 percent of the Library's investments.

**Note 4. CAPITAL ASSETS**

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

	Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2022</u>
Land	\$ 20,000	\$	\$	\$ 20,000
Buildings & improvements	571,211			571,211
Machinery & equipment	114,121			114,121
Construction progress	<u>30,067</u>	_____	_____	<u>30,067</u>
<i>Total capital assets</i>	735,399			735,399
Accumulated depreciation	<u>(383,674)</u>	<u>( 23,002)</u>	_____	<u>(406,676)</u>
<i>Net Capital Assets</i>	<u>\$351,725</u>	<u>\$( 23,002)</u>	<u>\$ _____</u>	<u>\$328,723</u>

Depreciation expense of \$23,002 was charged to the cultural and recreation function in the statement of activities.

**Note 5. DEFINED BENEFIT PENSION PLAN**

***Illinois Municipal Retirement Fund Pension Plan – Regular (RP)***

• ***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 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).

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 5.      **DEFINED BENEFIT PENSION PLAN****

- **Benefits Provided**

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

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefits, 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 of the 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

- **Employees Covered by Benefit Terms.**

As of December 31, 2022, the following employees were covered by the benefit terms:

	<u><b>IMRF</b></u>
Retirees and Beneficiaries currently receiving benefits	3
Inactive Plan Members entitled to but not yet receiving benefits	16
Active Plan Members	<u>7</u>
<b>Total</b>	<u><b>26</b></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 required 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 year 2021 was 7.20%. For the fiscal year ended June 30, 2022, the Library contributed \$18,053 to the plan. The Library also contributed 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) Liability.**

The Library's net pension (asset) liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 5. DEFINED BENEFIT PENSION PLAN**

- **Actuarial Assumptions.**

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- 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 that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 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. 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, as of December 31, 2021:

<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%	- .60%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70-5.50%
Cash Equivalents	<u>1%</u>	(0.90%)
<b>Total</b>	<b>100%</b>	

- There were no benefit changes during the year.

- **Single Discount Rate**

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits,) and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2022

**Note 5. DEFINED BENEFIT PENSION PLAN**

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

• **Changes in Net Pension (Asset) Liability**

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension (Asset) Liability <u>(A) – (B)</u>
<b>Balance December 31, 2020</b>	\$ 667,809	\$ 683,119	\$ (15,310)
<b>Changes for the year:</b>			
Service Cost	21,665		21,665
Interest on Total Pension Liability	48,078		48,078
Changes in Benefit Terms			
Difference between Expected and Actual Experience of Total Pension Liability	( 39,958)		( 39,958)
Changes of Assumptions			
Contributions – Employer		18,585	( 18,585)
Contributions – Employees		11,616	( 11,616)
Net Investment Inc.		114,564	( 114,564)
Benefit Payments including Refunds	( 31,006)	( 31,006)	
Other (net transfer)		( 47,043)	47,043
Net Changes in NPL(A)	<u>( 1,221)</u>	<u>66,716</u>	<u>( 67,937)</u>
<b>Balance December 31, 2021</b>	<u>\$ 666,588</u>	<u>\$ 749,835</u>	<u>\$ ( 83,247)</u>

• **Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate.**

The following presents the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension (asset) liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower</b> <b><u>(6.25%)</u></b>	<b>Current Discount</b> <b><u>(7.25%)</u></b>	<b>1% Higher</b> <b><u>(8.25%)</u></b>
<b>Net Pension (Asset) Liability</b>	\$7,769	\$(83,247)	\$(150,658)

• **Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension.**

For the year ended June 30, 2022, the Library recognized pension expense of \$2,813. At June 30, 2022, the Library has reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected an actual experience	\$ 7,893	\$ 27,912
Changes of assumptions		3,460
Net difference between projects and actual actual earning on pension plan investments	<u>13,999</u>	<u>103,103</u>
<b>Total Deferred amounts to be recognized In pension expense in future periods</b>	\$ 21,892	\$134,475

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 5.      *DEFINED BENEFIT PENSION PLAN***

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflow of Resources</u>
2022	\$( 27,883)
2023	( 45,667)
2024	( 25,677)
2025	( 13,356)
2026	0
Thereafter	0
<b>Total</b>	<b><u>\$(112,583)</u></b>

**Note 6.      *BUDGET***

An appropriations ordinance was adopted on August 19, 2021 and amended on September 23, 2021 by the Library Board of Trustees for the following funds:

- ◆ General Fund
- ◆ Social Security Fund
- ◆ Audit Fund
- ◆ Insurance Fund

For the 2022 fiscal year, the total budgeted expenditures, excluding budgeted transfers, were \$642,346 for the General Fund and \$78,303 for Special Revenue Funds. All annual appropriations lapse at fiscal year end.

**Note 7.      *DISCLOSURE OF RISK***

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended June 30, 2022, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage over the past three years.

**Note 8.      *SUBSEQUENT EVENTS***

Management and the Board of Trustees has evaluated subsequent events through November 22, 2022, which is the date the financial statements were available to be issued. As of November 22, 2022, no subsequent events required recognition or disclosure in the financial statements.

**Note 9.      *NET POSITION/FUND BALANCE CLASSIFICATION***

*(a) Net Position:*

Net position of the Library at June 30, 2022 are comprised of the following:

	General <u>Fund</u>	Major Special Revenue Funds <u>Non-major Funds</u>	<u>Total</u>
Investment in capital assets, net of related debt	\$ 328,723	\$	\$ 328,723
<i>Unrestricted:</i>			
Cultural and recreation	<u>696,093</u>	<u>7,665</u>	<u>703,758</u>
	<u>\$1,024,816</u>	<u>\$ 7,665</u>	<u>\$1,032,481</u>



**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 9. NET POSITION/FUND BALANCE CLASSIFICATION**

*(b) Fund Balances:*

Fund balances of the Library at June 30, 2022 are comprised of the following:

	General Fund	Major Special Revenue Funds <u>          </u> Non-major Funds	<u>Total</u>
<i>Unassigned:</i>			
Cultural and recreation	\$ <u>696,093</u>	\$ <u>7,665</u>	\$ <u>703,758</u>
	\$ <u>696,093</u>	\$ <u>7,665</u>	\$ <u>703,758</u>

**Note 10. DEFICIT NET POSITION/FUND BALANCES**

A deficit fund balance exists for the following Special Revenue Funds resulting from expenditures in excess of revenues in current or previous fiscal years:

None	<u>June 30, 2022</u>
	\$0

**REQUIRED SUPPLEMENTAL INFORMATION  
RELATIVE TO ILLINOIS MUNICIPAL RETIREMENT FUND**

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**SUPPLEMENTARY INFORMATION**  
**RELATIVE TO ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST FOUR CALENDAR YEARS**

Calendar Year Ended <i>December 31</i>	2021	2020	2019	2018
<b>Total Pension Liability</b>				
Service Cost	\$ 21,665	\$ 20,812	\$ 21,327	\$ 19,673
Interest on the Total Pension Liability	48,078	45,007	41,771	39,004
Changes of Benefit Terms				
Differences between Expected and Actual Experience of the Total Pension Liability	( 39,958)	16,952	10,719	6,217
Changes of Assumptions		9,546		18,515
Benefit Payments, including Refunds of Employee Contributions	( 31,006)	( 31,585)	( 26,266)	( 30,012)
<b>Net Change in Total Pension Liability</b>	(1,221)	41,640	47,551	53,397
<b>Total Pension Liability - Beginning</b>	<u>667,809</u>	<u>626,169</u>	<u>578,618</u>	<u>525,221</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$666,588</u>	<u>\$667,809</u>	<u>\$626,169</u>	<u>578,618</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 18,585	\$ 17,322	\$ 15,393	\$ 17,888
Contributions - Employees	11,616	11,347	11,264	11,165
Net Investment Income	114,564	85,893	96,882	(30,378)
Benefit Payments, including Refunds of Employee Contributions	( 31,006)	( 31,585)	( 26,266)	( 30,012)
Other (Net Transfer)	( 47,043)	952	( 1,272)	( 11,749)
<b>Net Change in Plan Fiduciary Net Position</b>	66,716	83,929	96,001	(19,588)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>683,119</u>	<u>599,190</u>	<u>503,189</u>	<u>522,777</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$749,835</u>	<u>\$683,119</u>	<u>\$599,190</u>	<u>503,189</u>
<b>Net Position (Asset) Liability – Ending (A)-(B)</b>	<u>\$( 83,247)</u>	<u>\$( 15,310)</u>	<u>\$ 26,979</u>	<u>\$ 75,429</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>				
	112.49%	102.29%	95.69%	86.96%
<b>Covered Valuation Payroll</b>	\$258,131	\$252,148	\$250,302	\$248,101
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>				
	(32.25)%	(6.07)%	10.78%	30.40%

**Note 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.

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**SUPPLEMENTARY INFORMATION**  
**RELATIVE TO ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST FOUR CALENDAR YEARS**

<u>Calendar Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation of Payroll</u>
2018	\$17,888	\$17,888	\$( 0)	\$248,101	7.21%
2019	15,394	15,393	1	250,302	6.15%
2020	17,323	17,322	1	252,148	6.87%
2021	18,585*	18,585	0	258,131	7.20%

\*Estimated based on contribution rate of 7.20% and covered valuation payroll of \$258,131.

**Notes to Schedule:**

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 are 12 months prior to the beginning of the fiscal year in which contributions are reported.

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

*Actuarial Cost Method:* Aggregate entry age = normal  
*Amortization Method:* Level percentage of payroll, closed  
*Remaining Amortization Period:* Non-Taxing bodies: 10-year rolling period.  
 Taxing bodies (Regular, SLEP, and ECO groups): 22-year closed period.  
 Early Retirement Incentive plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years; and one employer was financed over 28 years).  
*Asset Valuation Method:* 5 year smoothed market; 20% corridor  
*Wage Growth:* 3.50%  
*Price Inflation:* 2.75%, approximate; No explicit price inflation assumption is used in this valuation  
*Salary Increases:* 3.75% to 14.5%, including inflation  
*Investment Rate of Return:* 7.50%  
*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.  
*Mortality:* For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). 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.

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.

***REQUIRED SUPPLEMENTARY INFORMATION***



**ROCHESTER PUBLIC LIBRARY DISTRICT**  
Rochester, Illinois

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	2022 <u>Actual</u>
<b>Revenue:</b>			
<i>Taxes</i>			
Property taxes	\$464,529	\$464,529	\$457,594
<i>Intergovernmental revenues</i>			
Annual public library – per capita grant	11,789	11,789	11,790
<i>Other local sources</i>			
Fines and fees	7,000	7,000	6,073
Donations and other grants	93,466	93,466	49,068
Interest	3,500	3,500	20,355
Miscellaneous income	<u>1,000</u>	<u>1,000</u>	
<b>Total revenue</b>	<b><u>581,284</u></b>	<b><u>581,284</u></b>	<b><u>544,880</u></b>
<b>Expenditures:</b>			
<i>Culture and recreation</i>			
Accounting Fees	14,600	14,600	14,419
Employee salaries	293,241	293,241	299,643
Employee IMRF	18,000	18,000	2,813
Employee insurance	42,646	42,646	40,914
Library materials	25,000	25,000	26,003
Utilities – library	13,000	13,000	6,592
Telephone & internet service	3,000	3,000	3,349
Consortia expense	13,000	13,000	10,023
Supplies	7,000	7,000	4,312
Program expense	12,000	12,000	10,023
Equipment	4,000	4,000	1,161
Legal and publications	3,500	3,500	1,873
Freight and postage	2,000	2,000	1,246
Staff and trustee development	7,000	7,000	5,560
Building maintenance	18,240	18,240	23,086
Printing	2,000	2,000	2,575
Miscellaneous	42,400	42,400	4,346
Memorials	500	500	0
Technology for Patron Use	8,346	8,346	7,608
Website expense	500	500	394
Grant expense	65,000	65,000	14,968
Contingency	11,001	11,001	7,824
Copier lease	16,372	16,372	12,997
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>5,118</u>
<b>Total expenditures</b>	<b><u>642,346</u></b>	<b><u>642,346</u></b>	<b><u>506,876</u></b>
 <i>Excess of revenue over expenditures</i>			 38,004
 <b>Fund Balance</b> – July 1, 2021			 <u>658,089</u>
 <b>Fund Balance</b> – June 30, 2022			 <u>\$696,093</u>

ROCHESTER PUBLIC LIBRARY DISTRICT  
Rochester, Illinois

SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
MODIFIED CASH BASIS  
ALLOCATION OF NON-MAJOR FUNDS  
June 30, 2022

	<b>Non-Major Funds All</b>
<u>Funds</u>	
<b>ASSETS</b>	
Cash and investments	\$ _____
<b>TOTAL ASSETS</b>	<b>\$ _____</b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Fund shortage</b>	<b>\$ <u>7,665</u></b>
<b>Fund Balance:</b>	
Unassigned	<u>7,665</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>7,665</u></b>



ROCHESTER PUBLIC LIBRARY DISTRICT  
Rochester, Illinois

SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS  
ALLOCATION OF NON-MAJOR FUNDS  
June 30, 2022

	<b>Non-Major Funds</b> All Funds
<b>Revenue:</b>	
<i>Taxes:</i>	
Property taxes	\$ <u>53,243</u>
<b>Total revenue</b>	<u>53,243</u>
<b>Expenditures:</b>	
Culture and recreation	<u>48,180</u>
<b>Total expenditures</b>	
Excess of revenue over expenditures	5,063
<b>Fund Balances</b> – July 1, 2021	<u>2,602</u>
<b>Fund Balances</b> – June 30, 2022	\$ <u>7,666</u>

**ROCHESTER PUBLIC LIBRARY DISTRICT  
Rochester, Illinois**

**SPECIAL REVENUE FUNDS  
INSURANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>2022 Actual</u>
<b>Revenue:</b>			
<i>Taxes</i>			
Property taxes	\$ <u>25,200</u>	\$ <u>25,200</u>	\$ <u>24,841</u>
<b>Total revenue</b>	<u>25,200</u>	<u>25,200</u>	<u>24,841</u>
 <b>Expenditures:</b>			
<i>Culture and recreation</i>			
Insurance	29,041	29,041	10,496
Employee salaries			13,003
Payroll Taxes	<u>          </u>	<u>          </u>	<u>1,002</u>
<b>Total expenditures</b>	<u>29,041</u>	<u>29,041</u>	<u>24,501</u>
<i>Excess of revenue under expenditures</i>			340
<b>Fund Balance</b> – July 1, 2021			( <u>22,984</u> )
<b>Fund Balance</b> – June 30, 2022			\$ ( <u>22,644</u> )

**ROCHESTER PUBLIC LIBRARY DISTRICT  
Rochester, Illinois**

**SPECIAL REVENUE FUNDS  
SOCIAL SECURITY FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>2022 Actual</u>
<b>Revenue:</b>			
<i>Taxes</i>			
Property taxes	\$ <u>26,210</u>	\$ <u>26,210</u>	\$ <u>25,831</u>
<b>Total revenue</b>	<u>26,210</u>	<u>26,210</u>	<u>25,831</u>
<b>Expenditures:</b>			
<i>Culture and recreation</i>			
Payroll taxes	<u>37,262</u>	<u>37,262</u>	<u>23,678</u>
<b>Total expenditures</b>	<u>37,262</u>	<u>37,262</u>	<u>23,678</u>
<i>Excess of revenue over expenditures</i>			2,153
<b>Fund Balance</b> – July 1, 2021			<u>6,699</u>
<b>Fund Balance</b> – June 30, 2022			<u>\$ 8,852</u>

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**SPECIAL REVENUE FUNDS**  
**AUDIT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>2022 Actual</u>
<b>Revenue:</b>			
<i>Taxes</i>			
Property taxes	\$ <u>2,620</u>	\$ <u>2,620</u>	\$ <u>2,571</u>
<b>Total revenue</b>	<u>2,620</u>	<u>2,620</u>	<u>2,571</u>
<b>Expenditures:</b>			
<i>Culture and recreation</i>			
Audit	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<b>Total expenditures</b>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<i>Excess of revenue over expenditures</i>			2571
<b>Fund Balance – July 1, 2021</b>			<u>18,887</u>
<b>Fund Balance – June 30, 2022</b>			<u>\$ 21,458</u>

**OTHER INFORMATION  
(UNAUDITED)**

**ROCHESTER PUBLIC LIBRARY DISTRICT**  
**Rochester, Illinois**

**SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, AND EXTENSIONS**  
**For the Year Ended June 30, 2022**

	<u>2021</u>	<u>2020</u>
<b><i>Assessed Valuations</i></b>	<u>\$196,929,687</u>	<u>\$192,021,555</u>
 <b><i>Tax Rates</i></b>		
General Fund	0.2305	0.2315
Insurance Fund	0.0126	0.0125
Audit Fund	0.0013	0.0013
Social Security Fund	0.0131	0.0130
Levy Recap	<u>0.0005</u>	<u>0.0</u>
<b><i>Total</i></b>	<u>0.2580</u>	<u>0.2583</u>
 <b><i>Taxes Extended</i></b>		
General Fund	\$453,923	\$444,530
Insurance Fund	24,813	24,003
Audit Fund	2,560	2,496
Social Security Fund	25,798	24,963
Levy Recap	<u>985</u>	<u>          </u>
<b><i>Total</i></b>	<u>\$508,079</u>	<u>\$495,992</u>