

Frankfort Public Library District
Frankfort, Illinois

Annual Financial Report



FRANKFORT
PUBLIC LIBRARY DISTRICT
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For the Year Ended June 30, 2022

Frankfort Public Library District
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Illinois NFP Audit & Tax, LLP
Certified Public Accountants

Independent Auditors' Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Frankfort 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 Frankfort Public Library District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Frankfort Public Library District, as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Frankfort 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.

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 Frankfort Public Library District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Frankfort 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 Frankfort 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 management's discussion and analysis, major fund budgetary schedules, and certain pension and post-employment benefit disclosures be presented to supplement the basic financial statements. Such information, although not 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 Frankfort Public Library District basic financial statements. The combining and individual fund financial statements and schedules for non-major funds, and other non-required supplemental schedules 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. 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 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 additihe 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.ired supplemental schedules as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included within the audit report. The other information comprises of the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

IL NFP Audit & Tax, LLP

Chicago, Illinois
October 14, 2022

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022**

Introduction

The Frankfort Public Library District (hereinafter referred to as the Library) Management's Discussion and Analysis are designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Library's financial activity, (3) identify changes in the Library's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Library's financial statements (beginning on page 6).

Financial Highlights

- At June 30, 2022, total assets and deferred outflows were \$6,832,563, and total liabilities and deferred inflows were \$5,320,408 compared to total assets and deferred outflows of \$6,676,070 and total liabilities and deferred inflows of \$5,588,802 at June 30, 2021. At June 30, 2022, net position was \$1,512,155, while at June 30, 2021, total net position was \$1,087,268. The portion of net position invested in capital assets, net of related debt, was \$1,183,880 and \$1,099,596 at June 30, 2022 and 2021, respectively.
- Overall, total revenues for all funds in 2022 were \$2,833,857 and total expenses were \$2,408,970 as compared to 2021 total revenues of \$2,667,505 and total expenses of \$2,398,066. Overall, there was an increase of \$424,887 in total fund balances from \$1,087,268 in 2021 to \$1,512,155 in 2022.
- Property tax collections received in fiscal year 2022 were \$2,525,364 compared to \$2,480,247 received in fiscal 2021.

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022 (Continued)**

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements, and notes to the financials. The District also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Frankfort Public Library District's finances in a manner similar to a private-sector business. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* presents information on all the Frankfort Park Public Library District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., property taxes levied for general purposes).

The government-wide financial statements can be found on pages 12 - 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported, while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

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

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022 (Continued)**

Fund Financial Statements (Continued)

Budgetary comparison statements are included in the required supplementary information for the general fund and major special revenue funds. Budgetary comparison schedules for other special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 14 through 17 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget to actual comparisons, statistical analysis tables, and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 38 through 42 of this report.

Major funds are reported in the basic financial statements, as discussed. Combining and individual statements and schedules for non-major as well as supplemental schedules for the major funds are presented in a subsequent section of this report beginning on page 43.

Government-wide Financial Analysis

As stated previously, 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 exceeded liabilities and deferred inflows by \$1,512,155 at June 30, 2022. Contributing to the Library's net position, \$1,183,880 reflects its net investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related outstanding debt used to acquire those assets. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Library's net position, \$454,253 represents resources that are subject to external restrictions on how they may be used.

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022 (Continued)**

Statement of Net Position

A comparison of the statement of net position for the last two fiscal years is shown on the following page. As noted earlier, the District's combined net position increased by \$424,887.

**Statement of Net Position
Governmental Activities**

	2022		2021
Current and Other Assets	\$ 3,590,597	\$	3,323,706
Capital Assets	2,872,770		2,921,819
Total Assets	6,463,367		6,245,525
Deferred Outflows	369,196		430,545
Total Assets and Deferred Outflows	6,832,563		6,676,070
Other Liabilities	187,525		225,208
Long-Term Liabilities	1,761,771		2,376,745
Total Liabilities	1,949,296		2,601,953
Deferred Inflows	3,371,112		2,986,849
Total Liabilities and Deferred Inflows	5,320,408		5,588,802
Net Position			
Net Investment in capital assets	1,183,880		1,099,596
Restricted Amounts	454,253		445,445
Unrestricted Amounts	(125,978)		(457,773)
Total Net Position	\$ 1,512,155	\$	1,087,268

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022 (Continued)**

Statement of Activities A comparison of the statement of activities for the last two fiscal years is shown below.

**Statement of Activities
Governmental Activities**

	2022	2021
Revenues		
Program Revenues		
Charges for Services	79,383	50,626
Operating Grants and Contributions	106,265	70,713
General Revenues		
Property Taxes	2,525,364	2,480,247
Replacement Taxes	117,704	53,999
Interest Income	382	421
Miscellaneous	4,759	11,499
Total Revenue	\$ 2,833,857	\$ 2,667,505
Expenses		
Governmental Activities		
Library Services	2,357,185	2,342,283
Interest on Long-Term Debt	51,785	55,783
Total Expense	2,408,970	2,398,066
Increase in Net Position	\$ 424,887	\$ 269,439
Net Position - Beginning of Year	1,087,268	817,829
Net Position - End of Year	\$ 1,512,155	\$ 1,087,268

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022 (Continued)**

Governmental Activities

As stated previously, Governmental Activities increased the District's net position by \$424,887. Key elements of the entity-wide performance are as follows:

- During the fiscal year ended 2022, the District's net position increased mainly due to an increase in property taxes and replacement taxes.
- Total revenues increased 6.24% to \$2,833,857 in 2022 from \$2,667,505 the previous year. Most of this increase is attributed to an increase in property taxes and replacement taxes.
- Replacement taxes increased 117.97% to \$117,704 in 2022 from \$53,999 the previous year due to increases in collections.
- Total library expenses of \$2,408,970 remain consistent to prior year.

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported a healthy ending fund balance of \$870,402. Only \$454,253 of these funds are non-spendable or restricted, indicating the availability of the balance of funds for continuing operations.

The total ending fund balance of governmental funds shows an increase of \$154,000 from the prior fiscal year. This increase is primarily the result of the financial information described in the analysis of the District's governmental activities.

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022 (Continued)**

Major Governmental Funds

The General fund is the primary fund of the District. The General Fund surplus as of June 30, 2022, was \$579,573, an increase of \$662 from the prior year. This increase was mainly due to a decrease in total expenditures.

At the end of June 30, 2022, the District's General Fund did have the ability to transfer \$20,000 to the Special Reserve fund. The Library and Building Sites fund decreased its deficit fund balance to \$(18,067) from \$(174,982) the previous year.

Governmental Funds Budgetary Highlights

Actual revenues in the Corporate fund were \$2,302,765, which outperformed budget estimates by \$188,648 due mainly to replacement taxes, grants, and donations. Additionally, actual expenditures were \$2,282,103, which underperformed budget estimates by \$1,716.

The Corporate fund's net change in revenues over expenditures was a positive \$662. Including the transfer out to the Special Reserve fund of \$20,000, the fund balance increased to \$579,573 from \$578,911 the previous year.

Capital Asset Administration

The District's investment in capital assets, net of accumulated depreciation for governmental-type activities as of June 30, 2022 was \$2,872,770.

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
<u>Governmental Activities</u>				
Assets Not Subject to Depreciation				
Land	\$ 572,331	\$ 0	\$ 0	\$ 572,331
Assets Subject to Depreciation				
Building and Improvements	5,421,612	55,099	0	5,476,711
Furniture and Equipment	719,688	0	0	719,688
Subtotal	<u>6,713,631</u>	<u>55,099</u>	<u>0</u>	<u>6,768,730</u>
Less - Accumulated Depreciation				
Building and Improvements	(3,120,569)	(90,003)	0	(3,210,572)
Furniture and Equipment	(671,243)	(14,145)	0	(685,388)
Subtotal	<u>(3,791,812)</u>	<u>(104,148)</u>	<u>0</u>	<u>(3,895,960)</u>
Net Capital Assets	<u>\$ 2,921,819</u>	<u>\$ (49,049)</u>	<u>\$ 0</u>	<u>\$ 2,872,770</u>

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2022 (Continued)**

Debt

As of June 30, 2022, the District has future long-term debt principal and interest payments outstanding of \$1,688,890. Please refer to Note 5 on pages 28-29.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely affect its financial health in the near future.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Library Director, Frankfort Public Library District, 21119 S Pfeiffer Rd, Frankfort, IL 60423.

Frankfort Public Library District
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 2,306,054
Receivables	
Property Taxes	1,284,543
Capital Assets	
Capital Assets Not Being Depreciated	572,331
Other Capital Assets, Net of Depreciation	2,300,439
Total Capital Assets	<u>2,872,770</u>
Total Assets	<u>6,463,367</u>
Deferred Outflows	
Deferred Items - IMRF	<u>369,196</u>
Total Deferred Outflows	<u>369,196</u>
Liabilities	
Due Within One Year	
Accounts Payable	43,545
Accrued Payroll	1,150
Compensated Absences	9,497
Note Payable	133,333
Due In More Than One Year	
Compensated Absences	37,989
Net Pension Liability - IMRF	168,225
Note Payable	<u>1,555,557</u>
Total Liabilities	<u>1,949,296</u>
Deferred Inflows	
Deferred Property Taxes	2,675,500
Deferred Items - IMRF	<u>695,612</u>
Total Deferred Inflows	<u>3,371,112</u>
Net Position	
Net Investment in Capital Assets	1,183,880
Restricted for:	
Audit	17,881
Public Liability Insurance	124,173
Social Security	51,993
Special Reserve	70,000
Working Cash	190,206
Unrestricted	<u>(125,978)</u>
Total Net Position	<u><u>\$ 1,512,155</u></u>

See Accompanying Notes to the Financial Statements

**Frankfort Public Library District
Statement of Activities
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Library Services	\$ 2,357,185	\$ 79,383	\$ 106,265	\$ (2,171,537)
Interest on Long-Term Debt	51,785	0	0	(51,785)
Total Governmental Activities	\$ 2,408,970	\$ 79,383	\$ 106,265	(2,223,322)
General Revenues				
Taxes				
Property Taxes				2,525,364
Replacement Taxes				117,704
Interest Income				382
Miscellaneous				4,759
Total General Revenues				2,648,209
Change in Net Position				424,887
Net Position,				
Beginning of Year				1,087,268
End of Year				\$ 1,512,155

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Balance Sheet
Governmental Funds
June 30, 2022

	General	Library Building and Sites	Other Governmental Funds	Total
Assets				
Cash and Cash Equivalents	\$ 1,136,827	\$ 639,330	\$ 529,897	\$ 2,306,054
Receivables				
Property Taxes	1,010,639	84,020	189,884	1,284,543
Due from Other Funds	581,802	0	0	581,802
Total Assets	2,729,268	723,350	719,781	4,172,399
Deferred Outflows	0	0	0	0
Total Assets and Deferred Outflows	2,729,268	723,350	719,781	4,172,399
Liabilities				
Accounts Payable	43,545	0	0	43,545
Accrued Payroll	1,150	0	0	1,150
Due to Other Funds	0	566,417	15,385	581,802
Total Liabilities	44,695	566,417	15,385	626,497
Deferred Inflows				
Deferred Property Taxes	2,105,000	175,000	395,500	2,675,500
Total Deferred Inflows	2,105,000	175,000	395,500	2,675,500
Fund Balances (Deficits)				
Nonspendable	0	0	190,206	190,206
Restricted	0	0	264,047	264,047
Unassigned	579,573	(18,067)	(145,357)	416,149
Total Fund Balances (Deficits)	579,573	(18,067)	308,896	870,402
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 2,729,268	\$ 723,350	\$ 719,781	\$ 4,172,399

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Reconciliation of Fund Balances (Deficits) of the Governmental Funds to the
Governmental Activities in the Statement of Net Position
June 30, 2022

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

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

Fund Balance - Balance Sheet of Governmental Funds	870,402
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	2,872,770
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:	
IMRF deferred items related to changes in pension assumptions and differences between expected and actual pension plan experience	369,196
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated Absences	(47,486)
Note Payable	(1,688,890)
Net IMRF Pension Liability	(168,225)
IMRF deferred items related to difference between projected and actual earnings on pension plan investments and difference between expected and actual pension plan experience	(695,612)
Net Position of Governmental Activities	\$ 1,512,155

Frankfort Public Library District
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
For the Year Ended June 30, 2022

	General	Library Building and Sites	Other Governmental Funds	Total
Revenues				
Property Taxes	\$ 1,994,272	\$ 156,915	\$ 374,177	\$ 2,525,364
Replacement Taxes	117,704	0	0	117,704
Grants and Donations	106,265	0	0	106,265
Rental, Fines, and Fees	79,383	0	0	79,383
Interest	382	0	0	382
Miscellaneous	4,759	0	0	4,759
Total Revenues	2,302,765	156,915	374,177	2,833,857
Expenditures				
Personnel	1,418,310	0	352,583	1,770,893
Library Materials	171,225	0	0	171,225
Library Operations	360,027	0	34,674	394,701
Other Professional Services	27,286	0	10,497	37,783
Debt				
Principal	133,333	0	0	133,333
Interest	51,785	0	0	51,785
Capital Outlay	120,137	0	0	120,137
Total Expenditures	2,282,103	0	397,754	2,679,857
Excess (Deficiency) of Revenues over Expenditures	20,662	156,915	(23,577)	154,000
Other Financing Sources (Uses)				
Transfers In	0	0	20,000	20,000
Transfers Out	(20,000)	0	0	(20,000)
Total Other Financing Sources (Uses)	(20,000)	0	20,000	0
Net Change in Fund Balances (Deficits)	662	156,915	(3,577)	154,000
Fund Balances (Deficits),				
Beginning of Year	578,911	(174,982)	312,473	716,402
End of Year	\$ 579,573	\$ (18,067)	\$ 308,896	\$ 870,402

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances (Deficits) of the Governmental Funds
to the Governmental Activities in the Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 154,000
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 those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlays	55,099
Depreciation expense	(104,148)
Governmental funds report debt payments as expenditures and debt issuances as revenue. However, in the statement of activities, debt payments and debt issuances are not reported as expenditures and revenue, respectively.	
Principal Payments on Note Payable	133,333
Revenues in the statement of activities that do not provide current financial resources □ are not reported as revenues in the funds:	
Change in the following deferred items related to pension investment experience, changes in pension assumptions, and difference between expected and actual pension plan experience:	
Deferred Outflows - IMRF	(61,349)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in Compensated Absences	(11,169)
Change in Net Pension Liability - IMRF	490,576
Change in the following deferred items related to difference between expected and actual pension plan experience:	
Deferred Inflows - IMRF	(231,455)
Change in Net Position of Governmental Activities	\$ 424,887

See Accompanying Notes to the Financial Statements

**Frankfort Public Library District
Notes to the Financial Statements
For the Year Ended June 30, 2022**

1. Summary of Significant Accounting Policies

The District is incorporated in Frankfort, Illinois. The mission of the District is to maintain excellence in providing the best possible materials in regard to educational, technological, and recreational use for its community. The District's focus is to continue to research, evaluate, and generate outreach programs for the benefit of the Frankfort community.

The financial statements of the Frankfort Public Library District (the "District") have been prepared in conformity with Generally Accepted Accounting Principles as applied to local governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Financial Reporting Entity

The accompanying financial statements present the District's primary government and any component units over which the District exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District (as distinct from legal relationships). Management has considered all potential component units and has determined that there are no entities outside of the primary government that should be blended into or discretely presented with the District's financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District as a whole (except for fiduciary activities) and distinguish between the governmental and business-type activities of the District. Governmental activities, which are normally supported by taxes and governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's library services and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds include other Special Revenue funds. The combined amounts for these funds are reflected in a single column titled "Other Governmental Funds" in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules in the supplemental schedules of the financial statements.

Funds are organized as major funds or non-major funds within the governmental statements. 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 entity or meets the following criteria:

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

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements when applicable. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are those which governmental functions of the District finance. The acquisition, use, and balances of the District's expendable resources and the related liabilities are accounted for through governmental funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government does *not* consider revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales taxes, franchise taxes, licenses, charges for service, amounts due from other governments, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if applicable. Charges for sales and services and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

Basis of Presentation

The accounts of the District are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The various funds are summarized by type within the financial statements.

The District reports the following major governmental fund:

The General Fund is the primary operating fund. It accounts for all financial resources of the general government. Expenditures from this fund provide basic District services, such as finance and data processing, personnel, and general administration of the District. Revenue sources include taxes, which include property taxes, replacement taxes, interest income, and other income.

The Library Building and Sites Fund is used to account for the purchase of sites and buildings, for the construction and equipment of buildings, for the rental of buildings required for Library purposes, and for maintenance, repairs, and alterations of Library buildings and equipment, and the annual property taxes specifically levied to fund those costs.

Additional governmental fund types which are combined as non-major funds are as follows:

Non-major Special Revenue Funds: These funds are used to account for and report the proceeds of specific revenue sources that are restricted or assigned to expenditure for a specific purpose. The District reports the Illinois Municipal Retirement Fund, Audit Fund, Public Liability Insurance Fund, Social Security Fund, and Special Reserve Fund as non-major special revenue funds.

Permanent Funds: These funds are used to report that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. The District reports the Working Cash Fund as a permanent fund.

Proprietary fund level financial statements are used to account for activities that are similar to those found in the private sector. The measurement focus is upon the determination of net income, financial position, and cash flows. The District reports no proprietary funds.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

When applicable, on the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board.

Fiduciary fund level financial statements are custodial in nature and are merely clearing accounts for assets held by the District as an agent for individuals, private organizations, or other governments. Fiduciary funds are excluded from government-wide financial statements. The District reports no fiduciary funds.

Cash and Investments

For the purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Pooled Cash

Cash resources of the individual governmental fund types are combined to form a pool of cash and, when applicable, investments. At June 30, 2022, the District's cash was deposited in demand accounts and money market savings accounts.

Interfund Activity

During the course of normal operations, the District has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of Governmental Funds and, when applicable, Proprietary Funds. Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables. Short-term amounts owed between funds are classified as "Due to/from other funds."

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Receivables

Receivables consist of all revenues earned at year-end that are not yet received as of June 30, 2022. Major receivable balances for governmental activities include property taxes and replacement taxes. The District carries its receivables at cost less an allowance for doubtful accounts. On a periodic basis, the District evaluates its receivables and establishes the amount of its allowance for doubtful accounts based on a history of past write-offs and collections. The allowance for doubtful accounts amounts to \$0 for property taxes receivable.

Prepaid Items and Prepaid Expenditures

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items/expenditures using the consumption method of recognition.

Inventory

Inventory is valued at a cost that approximates the lower of cost or net realizable value using the first-in/first-out (FIFO) method. The District reports no inventory as of June 30, 2022.

Deferred Revenue/Unearned Revenue

When applicable, the District reports unearned revenues on its Statement of Net Position and deferred revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet, and revenue is recognized accordingly.

Compensated Absences

Accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. District employees are entitled to paid vacation time and sick leave in varying amounts based on years of service. Upon termination, employees will be paid for unused vacation but not for unused sick pay benefits. The District accrues accumulated unpaid vacation in the government-wide financial statements.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and, when applicable, infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$1,000 or more. Capital assets are recorded at historical cost if purchased or constructed or at estimated historical cost if the actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is computed using the straight-line method over the following estimated lives:

Building and Improvements	15 to 40 years
Furniture and Equipment	5 years

GASB Statement 34 requires the reporting and depreciation of the new infrastructure expenditures effective at the beginning of the implementation year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources, or expenses/expenditures, until then. The District has deferred changes in proportion dealing with pensions and contributions made after the measurement date. The District currently does not have deferred charges on refunding debt. These represent a consumption of net position that applies to future periods and is not recognized as an outflow of resources until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources, or revenues, until that time. A deferred inflow of resources dealing with a pension is reported for the differences between expected and actual experience, the net difference between projected and actual earnings on pension investments, and changes of assumptions. Currently, the District does not have non-exchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. As such, deferred property taxes are not reported as a deferred inflow on the government-wide statement of net position.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Non-spendable fund balance - The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - Amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the District Board of Trustees - the government's highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the District Board of Trustees removes the specified use by ordinance. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects assets constrained by the expressed written intent of the District Board of Trustees for capital equipment and/or capital projects.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed. The District does not have a stabilization policy established.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first, followed by assigned, and, lastly, unassigned funds.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Net Position Classifications

In the government-wide financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets - These amounts consist of capital assets net of accumulated depreciation and are reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent bonds or other debt proceeds.

Restricted net position - These amounts consist of net position with constraints placed on its 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. It is the District's policy to consider the restricted net position to have been depleted before the unrestricted net position is applied.

Unrestricted net position - These amounts consist of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Budgets

The Board of Trustees follows these procedures in establishing the budget:

1. The Director and budget committee prepare a proposed operating budget, which is submitted to the Board of Trustees for their approval. The budget document is made available for public inspection for at least 30 days prior to Board action.
2. The Board of Trustees is required to hold at least one public hearing prior to the passage of the annual Budget and Appropriation Ordinance. The budget is an estimate of actual expenditures, and the appropriation represents the legal spending limit.
3. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal year (July 1).
4. The Board of Trustees has the power to: Amend the Budget and Appropriation Ordinance in the same manner as its enactment, transfer between line items of any fund an amount not exceeding in the aggregate 10% of the total amount appropriated for that fund, and after six months of the fiscal year, by a two-thirds vote, transfer any appropriation item it anticipates being unexpended to any other appropriation item.
5. Expenditures legally may not exceed the total appropriations at the fund level. All unspent budgetary amounts lapse at year-end. The budget information in the financial statements includes adjustments made during the year.

The budget is prepared for all funds on the same basis as the basic financial statements and is consistent with GAAP. The budget is derived from the annual Budget and Appropriation Ordinance of the District. All budgetary funds are controlled by an integrated budgetary accounting system in accordance with various legal requirements which govern the District.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes are levied in November of each year on all taxable real property in the District and attach as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by the County and are payable in two installments on or about March 1 (Cook County) and June 1 (Will County) and on or about August 1 (Cook County) and September 1 (Will County).

The County Collector collects such taxes and remits them periodically. The 2021 levy is intended to finance the fiscal year ending June 30, 2023. Therefore, collections and property taxes receivable of this levy as of June 30, 2022 have been recorded as deferred inflows of resources.

2. Deposits

Deposits

At June 30, 2022, the carrying amount of the District's demand deposits in financial institutions was \$2,306,054, and the bank balance was \$2,335,444.

Custodial Credit Risk - Deposits

In the case of cash deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires all deposits with financial institutions in excess of federal depository insurance to be collateralized with collateral held by an independent third-party institution in the name of the District. The District had no uninsured and uncollateralized deposits as of June 30, 2022.

3. Investments

Policies for Investments

It is the policy of the District to invest public funds in a manner to conform to all state and local statutes governing the investment of public funds; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives, in priority order, of safety, liquidity, return on investment and public trust.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

3. Investments (Continued)

Policies for Investments (Continued)

The District's general credit risk policy is to apply the prudent person rule: Investments shall be made with the exercise of judgment and care, under the circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The Illinois Compiled Statutes (ILCS) permits the District to invest in: bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, bonds, notes debentures or similar obligations of the agencies of the United States of America; interest-bearing savings accounts, certificates of deposit, time deposits or other investment constituting direct obligations of a bank as defined by the Illinois Banking Act; short-term obligations (maturing within 180 days of dates of purchase) of corporations with assets exceeding \$500 million (such obligations must be rated at the time of purchase as AAA by at least two standard rating services); money market mutual funds registered under the Investment Company Act of 1940 which invest only in bonds, notes, certificates of indebtedness, treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest and agrees to repurchase such obligations; state and local government obligations; The Illinois Funds or a fund managed, operated and administered by a bank and other securities as allowed by the Illinois Public Funds Investment Act.

Interest Rate Risk

Interest rate risk is the risk that a change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity. The District will not invest in securities maturing more than three years from the date of purchase unless matched to a specific cash flow. Reserve funds may be invested in securities exceeding three years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the Public Library District Board.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the District's investment policy, the District limits its exposure to custodial credit risk by utilizing an independent third-party institution to act as a custodian for its securities and collateral.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

3. Investments (Continued)

Policies for Investments (Continued)

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The District's investment policy requires diversification of investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

4. Capital Assets

Capital asset activity for the year ended June 30, 2022, consisted of the following:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2022</u>
<u>Governmental Activities</u>				
Assets Not Subject to Depreciation				
Land	\$ 572,331	\$ 0	\$ 0	\$ 572,331
Assets Subject to Depreciation				
Building and Improvements	5,421,612	55,099	0	5,476,711
Furniture and Equipment	719,688	0	0	719,688
Subtotal	<u>6,713,631</u>	<u>55,099</u>	<u>0</u>	<u>6,768,730</u>
Less - Accumulated Depreciation				
Building and Improvements	(3,120,569)	(90,003)	0	(3,210,572)
Furniture and Equipment	(671,243)	(14,145)	0	(685,388)
Subtotal	<u>(3,791,812)</u>	<u>(104,148)</u>	<u>0</u>	<u>(3,895,960)</u>
Net Capital Assets	<u>\$ 2,921,819</u>	<u>\$ (49,049)</u>	<u>\$ 0</u>	<u>\$ 2,872,770</u>

Depreciation expense was charged to the functions/programs of the primary government as follows:

Governmental Activities – Library Services \$ 104,148

5. Long-term Liabilities

The District enters into debt transactions for the acquisition of capital construction. Note payables are direct obligations and pledge the full faith and credit of the Library. The following debt commitment exist as of June 30, 2022:

	<u>Balance</u> <u>June 30,</u> <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>2022</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>	<u>Debt</u> <u>Retired By</u> <u>Fund</u>
Note Payable dated 2/7/2020	\$ 1,822,223	\$ 0	\$ (133,333)	\$ 1,688,890	\$ 133,333	General
Total Note Payable	<u>\$ 1,822,223</u>	<u>\$ 0</u>	<u>\$ (133,333)</u>	<u>\$ 1,688,890</u>	<u>\$ 133,333</u>	

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

5. Long-term Liabilities (Continued)

Note Payable dated February 7, 2020 - \$2,000,000 original principal; monthly installments of \$11,111 to \$1,344,445 plus interest at 2.90% through February 7, 2025.

The District's future minimum debt payments are as follows:

Fiscal Year(s)	Principal	Interest	Total
June 30, 2023	\$ 133,333	\$ 47,864	\$ 181,197
June 30, 2024	133,333	33,510	166,843
June 30, 2025	<u>1,422,224</u>	<u>22,200</u>	<u>1,444,424</u>
	<u>\$ 1,688,890</u>	<u>\$ 103,574</u>	<u>\$ 1,792,464</u>

Other long-term liabilities activity is as follows:

	Balance June 30, 2021	Additions and Other Changes	Retirements	Balance June 30, 2022	Amount Due Within One Year
Other Long-term Liabilities					
Pension Liability/(Asset)	\$ 658,801	\$ (163,074)	\$ (327,502)	\$ 168,225	\$ 0
Compensated Absences	<u>36,317</u>	<u>47,486</u>	<u>(36,317)</u>	<u>47,486</u>	<u>9,497</u>
Total	<u>\$ 695,118</u>	<u>\$ (115,588)</u>	<u>\$ (363,819)</u>	<u>\$ 215,711</u>	<u>\$ 9,497</u>

6. Compliance and Accountability

At June 30, 2022, the following funds report a deficit fund balance:

Funds	Deficit
Library and Building Site Fund	\$ (18,067)
Illinois Municipal Retirement Fund	(145,357)

At June 30, 2022, the following funds report actual expenditures over the legally enacted budgeted amounts:

Funds	Budget	Actual	Variance
General	\$ 2,280,387	\$ 2,282,103	\$ (1,716)
Illinois Municipal Retirement	233,776	252,980	(19,204)
Public Liability Insurance	20,400	35,771	(15,371)

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

7. Interfund Transactions

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

At June 30, 2022, the following interfund receivables and payables exist:

Fund	Due from Other Funds	Due to Other Funds
General	\$ 581,802	\$ 0
Library Building and Sites	0	566,417
Illinois Municipal Retirement	0	15,385
	\$ 581,802	\$ 581,802

During the year ended June 30, 2022, interfund transfers were as follows:

Fund	Transfer from Other Funds	Transfer to Other Funds
General	\$ 0	\$ 20,000
Special Revenue	20,000	0
	\$ 20,000	\$ 20,000

8. Risk Management

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; natural disasters; and employee health. These risks are covered by commercial insurance purchased from independent third parties.

9. Commitments and Contingencies

As of June 30, 2022, the District had no material commitments and no contingencies.

10. Evaluation of Subsequent Events

The District has evaluated subsequent events through October 14, 2022, the date which the financial statements were available to be issued.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

11. Governmental Accounting Standards Board (GASB) Statements

Recently Implemented GASB Statements – None

Upcoming GASB Statements

GASB Statement No. 87, Leases, was issued June 2017 and will be effective for the District with the fiscal year ending June 30, 2023.

GASB Statement No. 91, Conduit Debt Obligations, was issued May 2019 and will be effective for the District with the fiscal year ending June 30, 2023.

GASB Statement No. 92, Omnibus 2020, was issued January 2020 and will be effective for the District with the fiscal year ending June 30, 2023.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This statement was issued June 2020 and will be effective for the District with the fiscal year ending June 30, 2023.

The District management has not yet determined the effect these Statements will have on the District's financial statements.

12. Other Post-Employment Benefits (OPEB)

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, no former employees have chosen to stay in the District's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any post-employment benefits liability as of June 30, 2022.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

13. Retirement Fund Commitments

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). 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 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 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Funding Policy. As set by statute, the District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate from the fiscal year 2022 was 19.82 percent of annual covered payroll. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost. The required contribution for the fiscal year 2022 was \$252,980.

Actuarial Valuation Date	December 31, 2021
Measurement Date of the Net Pension Liability	December 31, 2021
Fiscal Year End	June 30, 2022
Membership	
Number of	
- Retirees and Beneficiaries	39
- Inactive, Non-Retired Members	16
- Active Members	<u>29</u>
- Total	<u>84</u>
Covered Valuation Payroll	<u>\$ 1,226,310</u>
Net Pension Liability	
Total Pension Liability/(Asset)	\$ 5,914,906
Plan Fiduciary Net Position	<u>5,746,681</u>
Net Pension Liability/(Asset)	<u>\$ 168,225</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.16%
Net Pension Liability as a Percentage of Covered Valuation Payroll	13.72%
Development of the Single Discount Rate as of December 31, 2021	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	1.84%
Last year December 31 in the 2022 to 2121 projection period	
for which projected benefit payments are fully funded	2121
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate Calculated using December 31, 2020 Measurement Date	7.25%
Total Pension Expense/(Income)	<u><u>\$ 62,956</u></u>

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Deferred Outflows of Resources	Deferred Inflows of Resources
1. Difference between expected and actual experience	\$ 230,336	\$ 0
2. Assumption Changes	8,022	36,711
3. Net Difference between projected and actual earnings on pension plan investments	0	658,901
4. Subtotal	238,358	695,612
5. Pension contributions made subsequent to the measurement date	130,838	0
6. Total	\$ 369,196	\$ 695,612

Deferred outflows and deferred inflows of resources will be recognized in future pension expense as follows:

Plan Year Ending December 31	Net Deferred Inflows of Resources
2022	\$ (28,536)
2023	(199,787)
2024	(131,560)
2025	(97,371)
2026	0
Thereafter	0
	\$ (457,254)

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 real geometric rates of return for each major asset class are summarized in the following table as of December 31, 2021.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.2% - 8.5%
Cash Equivalents	1%	2.50%
	<u>100%</u>	

The single discount rate is calculated in accordance with GASB Statement No. 68. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph. The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR 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). For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; the resulting single discount rate is 7.25%.

Sensitivity of Net Pension Liability/(Asset) to the
Single Discount Rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 6,665,930	\$ 5,914,906	\$ 5,317,676
Plan Fiduciary Net Position	5,746,681	5,746,681	5,746,681
Net Pension Liability/(Asset)	<u>\$ 919,249</u>	<u>\$ 168,225</u>	<u>\$ (429,005)</u>

**Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022**

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Summary of Actuarial Methods and Assumptions
Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 -2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disable Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information: There were no benefit changes during the year.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Calendar Year Ended December 31, 2021

A. Total pension liability		
1. Service cost	\$	124,561
2. Interest on the total pension liability		396,882
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the total pension liability		145,261
5. Changes of assumptions		0
6. Benefit payments, including refunds of employee contributions		<u>(327,502)</u>
7. Net change in total pension liability		339,202
8. Total pension liability— beginning		<u>5,575,704</u>
9. Total pension liability – ending	\$	<u>5,914,906</u>
B. Plan fiduciary net position		
1. Contributions – employer	\$	233,749
2. Contributions – employee		57,454
3. Net investment income		842,860
4. Benefit payments, including refunds of employee contributions		<u>(327,502)</u>
5. Other (net transfer)		<u>23,217</u>
6. Net change in plan fiduciary net position		829,778
7. Plan fiduciary net position – beginning		<u>4,916,903</u>
8. Plan fiduciary net position – ending	\$	<u>5,746,681</u>
C. Net pension liability/(asset)	\$	<u>168,225</u>
D. Plan fiduciary net position as a percentage of the total pension liability		97.16%
E. Covered Valuation Payroll	\$	1,226,310
F. Net pension liability as a percentage of covered valuation payroll		13.72%

**Frankfort Public Library District
IMRF Pension Disclosures
For the Year Ended June 30, 2022**

REQUIRED SUPPLEMENTARY INFORMATION

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statements No. 27", the financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, the net pension liability as a percent of covered-employee payroll, and
- Comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

Multiyear Schedule of Contributions
Last 10 Fiscal Years (When Available)

<u>Fiscal Year</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 % of Covered Valuation Payroll</u>
2015	\$ 133,353	\$ 130,010	\$ (3,343)	\$1,153,571	11.27%
2016	136,470	136,470	0	1,187,729	11.49%
2017	135,717	135,717	0	1,174,023	11.56%
2018	133,368	133,368	0	1,145,769	11.64%
2019	134,308	134,308	0	1,147,073	11.71%
2020	154,055	159,393	5,338	1,201,631	13.26%
2021	200,304	200,304	0	1,233,469	16.24%
2022	252,980	252,980	0	1,276,251	19.82%

Notes to the Multiyear Schedule of Contributions:

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 22 years; the asset valuation method was five-year smoothed market; the significant actuarial assumptions were an investment rate of 7.25% annually and projected salary increases assumption of 3.35% to 14.25% plus 2.50% for inflation compounded annually.

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.

See Independent Auditors' Report

**Frankfort Public Library District
IMRF Pension Disclosures (Continued)
For the Year Ended June 30, 2022**

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Plan Years (When Available)

Plan Year Ending December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability ("TPL")								
Service cost	\$ 124,561	\$ 126,118	\$ 121,683	\$ 120,945	\$ 128,543	\$ 138,395	\$ 133,910	\$ 123,199
Interest on the TPL	396,882	379,229	353,257	316,763	320,046	298,858	275,389	237,333
Changes of benefit terms	0	0	0	0	0	0	0	0
Difference between expected and actual experience of the TPL	145,261	126,049	174,819	357,253	(109,781)	24,689	54,827	110,435
Changes of assumptions	0	(74,279)	0	145,758	(134,303)	(16,716)	5,218	177,757
Benefit payments, including refunds of employee contributions	<u>(327,502)</u>	<u>(298,209)</u>	<u>(289,276)</u>	<u>(294,893)</u>	<u>(194,059)</u>	<u>(153,541)</u>	<u>(151,401)</u>	<u>(130,760)</u>
Net change in total pension liability	339,202	258,908	360,483	645,826	10,446	291,685	317,943	517,964
Total pension liability – beginning	<u>5,575,704</u>	<u>5,316,796</u>	<u>4,956,313</u>	<u>4,310,487</u>	<u>4,300,041</u>	<u>4,008,356</u>	<u>3,690,413</u>	<u>3,172,449</u>
Total pension liability – ending	<u>\$5,914,906</u>	<u>\$5,575,704</u>	<u>\$5,316,796</u>	<u>\$4,956,313</u>	<u>\$4,310,487</u>	<u>\$4,300,041</u>	<u>\$4,008,356</u>	<u>\$3,690,413</u>
Plan fiduciary net position								
Contributions – employer	\$ 233,749	\$ 183,664	\$ 130,624	\$ 138,156	\$ 133,368	\$ 135,717	\$ 136,470	\$ 130,010
Contributions – employee	57,454	55,843	52,389	73,191	58,474	56,227	53,448	50,610
Net investment income	842,860	631,690	709,739	(219,670)	592,299	219,571	15,602	174,681
Benefit payments, including refunds of employee contributions	<u>(327,502)</u>	<u>(298,209)</u>	<u>(289,276)</u>	<u>(294,893)</u>	<u>(194,059)</u>	<u>(153,541)</u>	<u>(151,401)</u>	<u>(130,760)</u>
Other (net transfer)	<u>23,217</u>	<u>36,155</u>	<u>45,823</u>	<u>180,113</u>	<u>(258,656)</u>	<u>28,203</u>	<u>8,632</u>	<u>37,977</u>
Net change in plan fiduciary net position	829,778	609,143	649,299	(123,103)	331,426	286,177	62,751	262,518
Plan fiduciary net position - Beginning	<u>4,916,903</u>	<u>4,307,760</u>	<u>3,658,461</u>	<u>3,781,564</u>	<u>3,450,138</u>	<u>3,163,961</u>	<u>3,101,210</u>	<u>2,838,692</u>
Plan fiduciary net position - Ending	<u>\$5,746,681</u>	<u>\$4,916,903</u>	<u>\$4,307,760</u>	<u>\$3,658,461</u>	<u>\$3,781,564</u>	<u>\$3,450,138</u>	<u>\$3,163,961</u>	<u>\$3,101,210</u>
Net pension liability / (asset)	<u>\$ 168,225</u>	<u>\$ 658,801</u>	<u>\$1,009,036</u>	<u>\$1,297,852</u>	<u>\$ 528,923</u>	<u>\$ 849,903</u>	<u>\$ 844,395</u>	<u>\$ 589,203</u>
Plan fiduciary net position as a percent of the TPL	97.16%	88.18%	81.02%	73.81%	87.73%	80.24%	78.93%	84.03%
Covered Valuation Payroll ("CVP")	\$1,226,310	\$1,240,961	\$1,164,209	\$1,160,974	\$1,145,769	\$1,174,023	\$1,187,729	\$1,153,571
Net pension liability as a % of CVP	13.72%	53.09%	86.67%	111.79%	46.16%	72.39%	71.09%	51.08%

Notes to the Multiyear Schedule of Changes in Employer's Net Pension Liability

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.

Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Property Taxes	\$ 1,990,817	\$ 1,990,817	\$ 1,994,272	\$ 3,455
Replacement Taxes	30,000	30,000	117,704	87,704
Grants and Donations	55,000	55,000	106,265	51,265
Rental, Fines, and Fees	35,000	35,000	79,383	44,383
Interest	300	300	382	82
Miscellaneous	3,000	3,000	4,759	1,759
Total Revenues	<u>2,114,117</u>	<u>2,114,117</u>	<u>2,302,765</u>	<u>188,648</u>
Expenditures				
Current				
Personnel	1,516,108	1,516,108	1,418,310	97,798
Library Materials	161,250	161,250	171,225	(9,975)
Library Operations	384,996	384,996	360,027	24,969
Other Professional Services	26,500	26,500	27,286	(786)
Debt Service				
Principal	133,333	133,333	133,333	0
Interest	55,200	55,200	51,785	3,415
Capital Outlay	3,000	3,000	120,137	(117,137)
Total Expenditures	<u>2,280,387</u>	<u>2,280,387</u>	<u>2,282,103</u>	<u>(1,716)</u>
Excess (Deficiency) of				
Revenues over Expenditures	(166,270)	(166,270)	20,662	186,932
Other Financing Uses				
Transfers Out	0	0	(20,000)	(20,000)
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>(20,000)</u>	<u>(20,000)</u>
Net Change in Fund Balance	<u>\$ (166,270)</u>	<u>\$ (166,270)</u>	662	<u>\$ 166,932</u>
Fund Balance,				
Beginning of Year			<u>578,911</u>	
End of Year			<u>\$ 579,573</u>	

See Independent Auditors' Report

**Frankfort Public Library District
Library Building and Sites Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Deficit
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 165,507	\$ 165,507	\$ 156,915	\$ (8,592)
Total Revenues	<u>165,507</u>	<u>165,507</u>	<u>156,915</u>	<u>(8,592)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Deficit	<u>\$ 165,507</u>	<u>\$ 165,507</u>	156,915	<u>\$ (8,592)</u>
Fund Deficit,				
Beginning of Year			<u>(174,982)</u>	
End of Year			<u>\$ (18,067)</u>	

See Independent Auditors' Report

Frankfort Public Library District
Notes to Required Supplementary Information
For the Year Ended June 30, 2022

Budgets are adopted on a basis consistent with generally accepted accounting principles. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

**Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Expenditures
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Expenditures				
Personnel				
Salaries	\$ 1,406,675	\$ 1,406,675	\$ 1,312,836	\$ 93,839
Payroll Taxes	6,400	6,400	5,933	467
Health Insurance	103,033	103,033	99,541	3,492
Total Personnel	<u>1,516,108</u>	<u>1,516,108</u>	<u>1,418,310</u>	<u>97,798</u>
Library Materials				
Books - Adult	60,000	60,000	57,294	2,706
Books - Youth	28,000	28,000	30,078	(2,078)
Periodicals	6,500	6,500	9,476	(2,976)
Spoken Word - Adult	5,000	5,000	3,405	1,595
Spoken Word - Youth	1,250	1,250	1,475	(225)
Videos - Adult	10,000	10,000	6,842	3,158
Videos - Youth	1,500	1,500	865	635
Videos Games - Youth	2,000	2,000	2,105	(105)
Electronic Resources	17,000	17,000	16,999	1
Digital Material and Host	30,000	30,000	42,686	(12,686)
Total Library Materials	<u>161,250</u>	<u>161,250</u>	<u>171,225</u>	<u>(9,975)</u>
Library Operations				
Programming	23,100	23,100	19,938	3,162
Outreach	1,000	1,000	2,436	(1,436)
Circulation System	40,000	40,000	42,618	(2,618)
Automation	92,771	92,771	90,596	2,175
Office and Library Equipment	30,000	30,000	33,089	(3,089)
Office and Library Supplies	9,000	9,000	5,604	3,396
Learning Lab Supplies	2,000	2,000	2,983	(983)
Technical Processing	10,000	10,000	7,502	2,498
Printing	7,500	7,500	4,936	2,564
Telephone	10,125	10,125	9,718	407
Public Liability Insurance	0	0	1,873	(1,873)
Building Utilities	65,000	65,000	57,162	7,838
Building Maintenance and Supplies	94,500	94,500	81,572	12,928
Total Library Operations	<u>384,996</u>	<u>384,996</u>	<u>360,027</u>	<u>24,969</u>
Subtotal Forward	<u>\$ 2,062,354</u>	<u>\$ 2,062,354</u>	<u>\$ 1,949,562</u>	<u>\$ 112,792</u>

**Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Expenditures (Continued)
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Expenditures (Continued)				
Subtotal Forwarded	\$ 2,062,354	\$ 2,062,354	\$ 1,949,562	\$ 112,792
Other Professional Services				
Legal Fees and Ads	5,000	5,000	6,323	(1,323)
Professional Development	8,000	8,000	5,206	2,794
Professional Services	13,500	13,500	15,757	(2,257)
Total Other Professional Services	26,500	26,500	27,286	(786)
Debt				
Principal	133,333	133,333	133,333	0
Interest	55,200	55,200	51,785	3,415
Total Debt Principal	188,533	188,533	185,118	3,415
Capital Outlay				
Furniture and Fixtures	3,000	3,000	2,789	211
Grant Expenses	0	0	63,728	(63,728)
Line of Credit Expenses	0	0	53,620	(53,620)
Total Capital Outlay	3,000	3,000	120,137	(117,137)
Total Expenditures	\$ 2,280,387	\$ 2,280,387	\$ 2,282,103	\$ (1,716)

Frankfort Public Library District
Notes to Supplementary Information
For the Year Ended June 30, 2022

Individual Fund Descriptions

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for the Library's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy which produces a sufficient amount to pay the Library's contributions to the fund on behalf of its employees.

Audit Fund

The Audit Fund is used to account for audit fees and the annual property taxes specifically levied to fund those costs.

Public Liability Insurance Fund

The Public Liability Insurance Fund is used to account for the Library's annual liability insurance costs and the annual property taxes specifically levied to fund those costs.

Social Security Fund

The Social Security Fund is used to account for the Library's portion of Social Security and Medicare paid on behalf of its employees. Financing is provided by a specific annual property tax levy which produces a sufficient amount to pay the Library's portion.

Special Reserve Fund

The Special Reserve Fund is used to account for the expansion and improvement of library service by the development of a modern comprehensive library facility through expert studies and /or consultants, purchase of real estate site for buildings, construction of facility or the remodeling, repairing, improving or addition to existing facilities or for the purchase of necessary equipment and materials for or in anticipation of such expanded library facilities or all of these objects.

Working Cash Fund

The Working Cash Fund is used to account for payments for general government expenditures if tax revenue is temporarily unavailable. Upon receipt of tax revenues, the general fund must repay this permanent fund.

Frankfort Public Library District
Combining Fund Schedule - Non-major Funds
Combining Balance Sheet
June 30, 2022

Special Revenue Funds

	Illinois Municipal Retirement	Audit	Public Liability Insurance	Social Security	Special Reserve	Working Cash	Total
Assets							
Cash and Cash Equivalents	\$ 0	\$ 23,080	\$ 134,831	\$ 111,780	\$ 70,000	\$ 190,206	\$ 529,897
Receivables							
Property Taxes	120,028	4,801	9,842	55,213	0	0	189,884
Total Assets	<u>120,028</u>	<u>27,881</u>	<u>144,673</u>	<u>166,993</u>	<u>70,000</u>	<u>190,206</u>	<u>719,781</u>
Deferred Outflows	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u><u>120,028</u></u>	<u><u>27,881</u></u>	<u><u>144,673</u></u>	<u><u>166,993</u></u>	<u><u>70,000</u></u>	<u><u>190,206</u></u>	<u><u>719,781</u></u>
Liabilities							
Due to Other Funds	15,385	0	0	0	0	0	15,385
Total Liabilities	<u>15,385</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,385</u>
Deferred Inflows							
Deferred Property Taxes	250,000	10,000	20,500	115,000	0	0	395,500
Total Deferred Inflows	<u>250,000</u>	<u>10,000</u>	<u>20,500</u>	<u>115,000</u>	<u>0</u>	<u>0</u>	<u>395,500</u>
Fund Balances							
Nonspendable	0	0	0	0	0	190,206	190,206
Restricted	0	17,881	124,173	51,993	70,000		264,047
Unassigned	(145,357)	0	0	0	0	0	(145,357)
Total Fund Balances	<u>(145,357)</u>	<u>17,881</u>	<u>124,173</u>	<u>51,993</u>	<u>70,000</u>	<u>190,206</u>	<u>308,896</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u><u>\$ 120,028</u></u>	<u><u>\$ 27,881</u></u>	<u><u>\$ 144,673</u></u>	<u><u>\$ 166,993</u></u>	<u><u>\$ 70,000</u></u>	<u><u>\$ 190,206</u></u>	<u><u>\$ 719,781</u></u>

Frankfort Public Library District
Combining Fund Schedule - Non-major Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds						Total
	Illinois Municipal Retirement	Audit	Public Liability Insurance	Social Security	Special Reserve	Working Cash	
Revenues							
Property Taxes	\$ 243,204	\$ 11,104	\$ 12,400	\$ 107,469	\$ 0	\$ 0	\$ 374,177
Total Revenues	<u>243,204</u>	<u>11,104</u>	<u>12,400</u>	<u>107,469</u>	<u>0</u>	<u>0</u>	<u>374,177</u>
Expenditures							
Fringe Benefits							
Social Security	0	0	0	99,603	0	0	99,603
IMRF	252,980	0	0	0	0	0	252,980
Library Operations							
Automation	0	0	5,383	0	0	0	5,383
Office and Supplies	0	0	300	0	0	0	300
Liability Insurance	0	0	13,018	0	0	0	13,018
Treasurer's Bond	0	0	1,305	0	0	0	1,305
Workers' Compensation	0	0	2,014	0	0	0	2,014
Building Maintenance	0	0	12,491	0	0	0	12,491
Building Supplies	0	0	163	0	0	0	163
Other Professional Services							
Audit Fee	0	9,400	0	0	0	0	9,400
Professional Development	0	0	1,097	0	0	0	1,097
Total Expenditures	<u>252,980</u>	<u>9,400</u>	<u>35,771</u>	<u>99,603</u>	<u>0</u>	<u>0</u>	<u>397,754</u>
Excess (Deficiency) of Revenues over Expenditures	(9,776)	1,704	(23,371)	7,866	0	0	(23,577)
Other Financing Sources							
Transfers In	0	0	0	0	20,000	0	20,000
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Net Change in Fund Balances	(9,776)	1,704	(23,371)	7,866	20,000	0	(3,577)
Fund Balance (Deficit),							
Beginning of Year	<u>(135,581)</u>	<u>16,177</u>	<u>147,544</u>	<u>44,127</u>	<u>50,000</u>	<u>190,206</u>	<u>312,473</u>
End of Year	<u>\$ (145,357)</u>	<u>\$ 17,881</u>	<u>\$ 124,173</u>	<u>\$ 51,993</u>	<u>\$ 70,000</u>	<u>\$ 190,206</u>	<u>\$ 308,896</u>

**Frankfort Public Library District
 Illinois Municipal Retirement Fund
 Budgetary Comparison Schedule
 Schedule of Revenues, Expenditures and Changes in Fund Deficit
 For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$ 236,439	\$ 236,439	\$ 243,204	\$ 6,765
Total Revenues	<u>236,439</u>	<u>236,439</u>	<u>243,204</u>	<u>6,765</u>
Expenditures				
Fringe Benefits				
IMRF Employer Contribution	<u>233,776</u>	<u>233,776</u>	<u>252,980</u>	<u>(19,204)</u>
Total Expenditures	<u>233,776</u>	<u>233,776</u>	<u>252,980</u>	<u>(19,204)</u>
Net Change in Fund Deficit	<u>\$ 2,663</u>	<u>\$ 2,663</u>	<u>(9,776)</u>	<u>\$ (12,439)</u>
Fund Deficit,				
Beginning of Year			<u>(135,581)</u>	
End of Year			<u>\$ (145,357)</u>	

**Frankfort Public Library District
 Audit Fund
 Budgetary Comparison Schedule
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$ 9,458	\$ 9,458	\$ 11,104	\$ 1,646
Total Revenues	<u>9,458</u>	<u>9,458</u>	<u>11,104</u>	<u>1,646</u>
Expenditures				
Other Professional Services				
Audit Fee	<u>9,900</u>	<u>9,900</u>	<u>9,400</u>	<u>500</u>
Total Expenditures	<u>9,900</u>	<u>9,900</u>	<u>9,400</u>	<u>500</u>
Net Change in Fund Balance	<u>\$ (442)</u>	<u>\$ (442)</u>	<u>1,704</u>	<u>\$ 2,146</u>
Fund Balance,				
Beginning of Year			<u>16,177</u>	
End of Year			<u>\$ 17,881</u>	

**Frankfort Public Library District
Public Liability Insurance Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$ 19,388	\$ 19,388	\$ 12,400	\$ (6,988)
Total Revenues	<u>19,388</u>	<u>19,388</u>	<u>12,400</u>	<u>(6,988)</u>
Expenditures				
Liability Operations				
Automation	0	0	5,383	(5,383)
Office and Supplies	0	0	300	(300)
Liability Insurance	18,000	18,000	13,018	4,982
Treasurer's Bond	0	0	1,305	(1,305)
Workers' Compensation	2,400	2,400	2,014	386
Building Maintenance	0	0	12,491	(12,491)
Building Supplies	0	0	163	(163)
Other Professional Services				
Professional Development	0	0	1,097	(1,097)
Total Expenditures	<u>20,400</u>	<u>20,400</u>	<u>35,771</u>	<u>(15,371)</u>
Net Change in Fund Balance	<u>\$ (1,012)</u>	<u>\$ (1,012)</u>	<u>(23,371)</u>	<u>\$ (22,359)</u>
Fund Balance,				
Beginning of Year			<u>147,544</u>	
End of Year			<u>\$ 124,173</u>	

Frankfort Public Library District
Social Security Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Revenues				
Property Taxes	\$ 108,762	\$ 108,762	\$ 107,469	\$ (1,293)
Total Revenues	<u>108,762</u>	<u>108,762</u>	<u>107,469</u>	<u>(1,293)</u>
Expenditures				
Fringe Benefits				
FICA Employer Contributions	<u>100,252</u>	<u>100,252</u>	<u>99,603</u>	<u>649</u>
Total Expenditures	<u>100,252</u>	<u>100,252</u>	<u>99,603</u>	<u>649</u>
Net Change in Fund Balance	<u>\$ 8,510</u>	<u>\$ 8,510</u>	<u>7,866</u>	<u>\$ (644)</u>
Fund Balance,				
Beginning of Year			<u>44,127</u>	
End of Year			<u>\$ 51,993</u>	

**Frankfort Public Library District
Special Reserve Fund
No Legally Adopted Budget
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022**

	Actual
Total Revenues	\$ 0
Total Expenditures	0
Excess of Revenues over Expenditures	0
Other Financing Sources	
Transfers In	20,000
Total Other Financing Sources	20,000
Net Change in Fund Balance	20,000
Fund Balance,	
Beginning of Year	50,000
End of Year	\$ 70,000

**Frankfort Public Library District
Working Cash Fund
No Legally Adopted Budget
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022**

	Actual
Total Revenues	\$ 0
Total Expenditures	0
Net Change in Fund Balance	0
Fund Balance,	
Beginning of Year	190,206
End of Year	\$ 190,206