

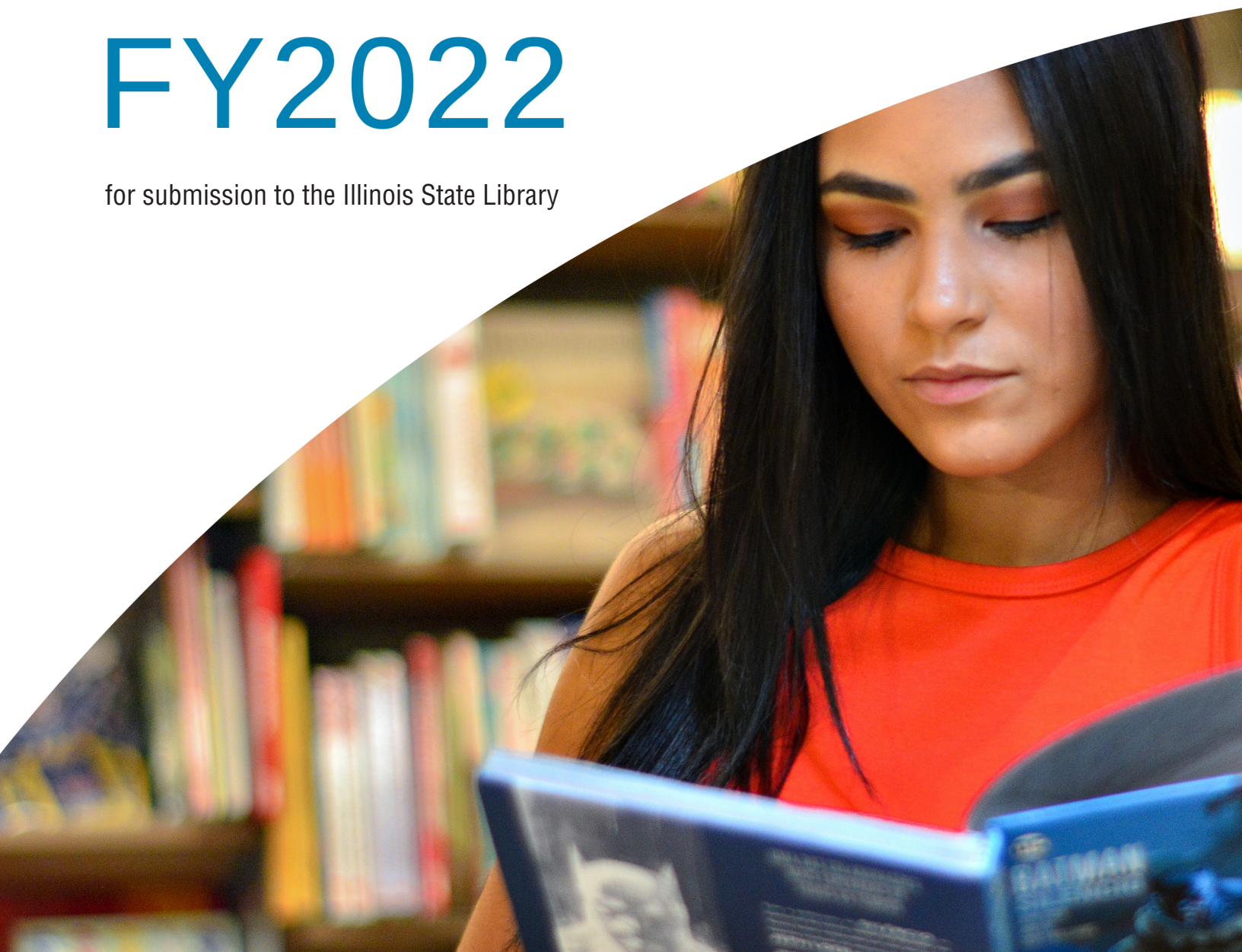


Illinois Heartland Library System

ILLINOIS HEARTLAND LIBRARY SYSTEM

ANNUAL REPORT FY2022

for submission to the Illinois State Library



Imagining Tomorrow, Delivering Possibilities Today!

ILLINOIS STATE LIBRARY
FY2022 Library System Annual Report Cover Sheet
23 ILAC 3030.270 (Multitype Library System)

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Library System: **Illinois Heartland Library System**

Signed:  Date: 9/28/2022
Board President

Signed:  Date: 9/28/2022
Executive Director

A Word From the Director

How do we settle back into life after a crisis? How do we find a kind of normalcy while honoring the needs for growth and adaptation uncovered by the COVID-19 pandemic? And how do we maintain that adaptability, that drive for readiness, and channel as we help 521 diverse libraries face down the myriad new challenges rising against them? In FY2022, Illinois Heartland Library System tried to answer these and similar questions.

Both within our agency and in our service endeavors, this meant changes and updates in a variety of areas. This was a year of discerning when and how to gather virtually or in person as we adopted a hybrid work model, piloted a virtual conference platform, and resumed in-person site visits. This was a year of seeking and implementing new ways to grow as we facilitated continuing education, launched a new app, took on a website rebuild, and made market adjustments on our employee compensation. This was a year of improving our service to all library types as we partnered with Illinois academic and school library organizations, brought on a school library liaison, and updated resource guides on COVID-19 and censorship. This was, in short, an exciting year of growing in all directions. We are proud to share how we did it.

Leslie M. Bednar
Executive Director



Marketing & Communications

Member communication never ceases at IHLS. Ample coordination and skill are involved in reaching out via multiple channels to ensure our member libraries and stakeholders are informed about current trends, opportunities, and challenges. There were several projects essential to improving member outreach in FY2022: Revamping the website, prioritizing targeted member outreach, expanding our social media reach, and increasing collaboration in communications.

Website Revamp

Our marketing and communications staff collaborated with IT to improve navigation and functionality of the IHLS website. At its inception several years ago, the bulk of this project was to be completed by a vendor, but several unanticipated complications left the work in the laps of IHLS staff. When the updated site is finally available, our members will find these improvements:

- A special focus area for trending topics
- A dedicated events page automatically synced with L2
- A wealth of information and resources on delivery and delivery routes
- Individual information pages for each member type

Targeted Member Outreach

We recognize the many demands on our members' time and energy, and we strive to always share accurate and timely information to assist in patron services and guide best practices. So, we prioritized several activities and resources:

- Intellectual Freedom Challenges Resource Guide. This issue arose first in school member libraries,

but our multi-type guide was developed and is updated with the busy librarian in mind.

- Updated COVID-19 Resources. The pandemic transformed the landscape of library work by member libraries, so we shared state and national resources as well as updated IHLS member activities related to the pandemic.
- Member Library Technology Survey. This was an effort to advocate for improved broadband services for public libraries.
- SHARE Mobile App Marketing Plan. Staff developed a communications plan along with some promotional materials and resources for the launch of the SHARE Mobile Library app.
- DEIA Third Thursday CE Theme. In support of continuing education on diversity, equity, inclusion, and accessibility, we scheduled and promoted a broad array of DEIA topics for our Third Thursdays CE series.
- Library Crawl Promotion. We supported the 3rd Annual Library Crawl by sponsoring a paid social media campaign inviting readers, gamers, and other potential library users to visit area public libraries during the crawl.
- IHLS Directors Chats. We modified this networking service to fit member needs. The chat frequency increased during the height of the COVID-19 pandemic, and we have retained the text-chat format for greater accessibility. We save and post each chat to the IHLS website.
- Pheedloop Pilot. For IHLS Member Day 2021, we utilized this commercial product for an enhanced virtual learning experience.

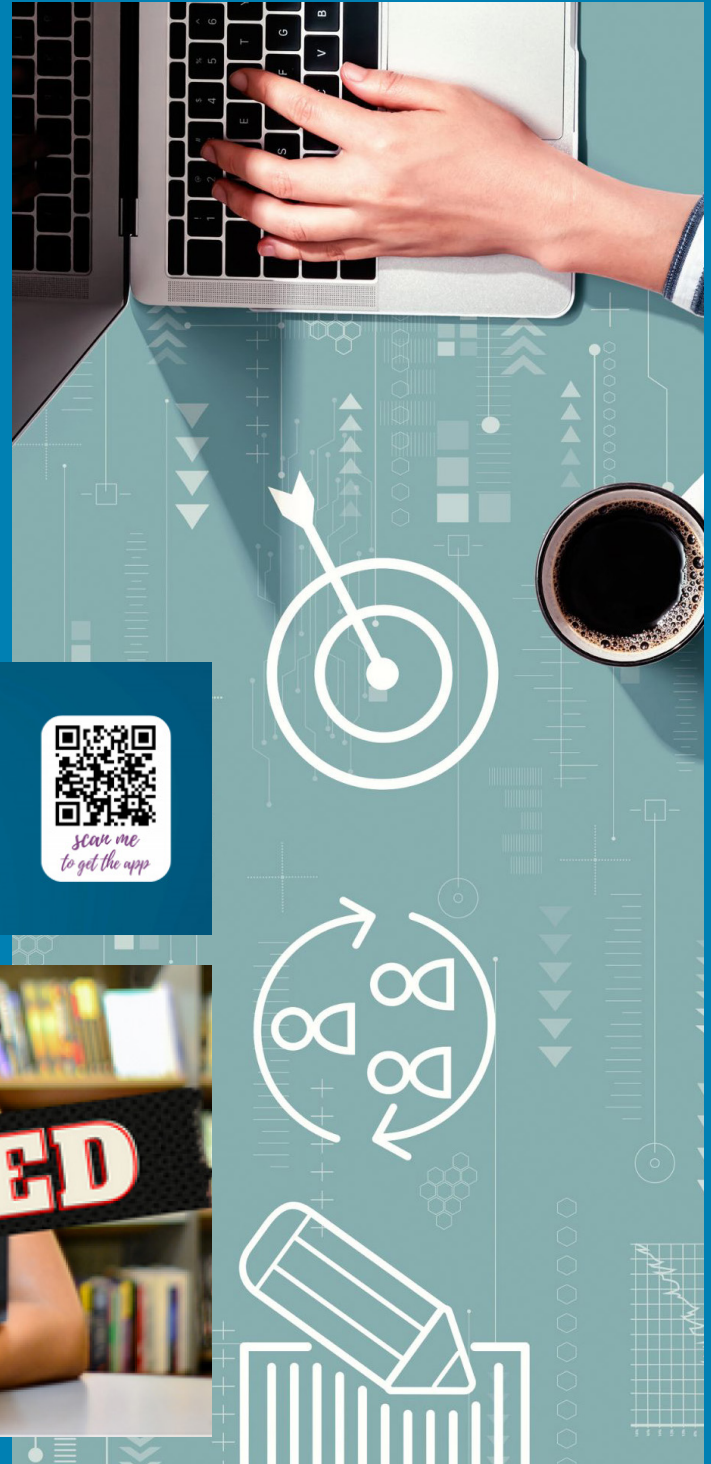
Social Media Reach

The more we utilize social media, the better we under-

stand its potential. Our engagement continues to increase through strategic use of these platforms. IHLS has a growing following on Facebook, Twitter, and YouTube, each platform serving a unique purpose. We added LinkedIn to promote our professional image and to better recruit potential employees.

Collaborative Communications

Eleanor Roosevelt said, “It takes as much energy to wish as it does to plan.” Our communications and marketing staff met with each department as we developed our FY2023 Operational Plan. Their goal is to be prepared to promote projects and activities of benefit to members in a timely fashion. This cross-team support approach benefits planning throughout the organization.



Human Resources

As in all service organizations, it is the human component that often matters most. To provide exceptional customer service to our 521 member libraries, we support our 90+ staff members with appropriate compensation, meaningful work projects, and consistent feedback. Continuing education support, clear internal communication, and staff engagement efforts are vital to employee morale. In FY2022, we placed a high value on meeting staff needs with market adjustments to compensation ranges, updated employee evaluations, increased continuing education opportunities, clear internal communications, and surveys on employee morale.

Appropriate Compensation

With the support of the board of directors, in FY2022, we applied market adjustments across the staff to bring individuals to an appropriate compensation level compared to peer organizations in the state. This is the second step in a multi-phase approach to attract and retain highly qualified staff who carry out the mission and goals of IHLS. Utilizing a multi-factor placement method, we can confidently place internal and external hires. Beginning in FY2021:

- We reviewed and updated, if necessary, all position descriptions.
- We contracted HR Source for a benchmarking survey, which established salary grades for each position based on industry standards.
- A few employees received market adjustments to reach the bottom of their salary range.

Updated Evaluations

Moving forward, in FY2023, we will roll out a new staff evaluation system that:

- builds on our existing office technology with direct reports;
- includes goal setting at the agency, department, and individual levels;
- incorporates the annual operational plan.

Continuing Education Support

Continuing education is a key support tool for all staff. In FY2022, IHLS staff had access to several online learning venues including:

- The Librarian's Guide to Homelessness. This is a series by Ryan Dowd on Niche Academy.
- Gallagher Core 360 Safety Trainings. These were available through our commercial insurance partner.
- Pluralsight. These are information technology-focused webinars.
- Ford Harrison Webinars. These were available via our association with Karen Milner, Partner, Ford Harrison. Topics included human resources, diversity, and COVID-19.
- Pryor Learning. Topics included management, office software, accounting, and workplace safety
- H & H Health Associates. This library of learning tools was available through our employee assistance program. These webinars and self-assessments included topics like interpersonal communications, emotional well-being, and financial and legal supports included.

Internal Communications

IHLS prioritizes straightforward employee communication to engage with our team. We expanded our human resources staff intranet to remove barriers to information access. This platform allows real-time access to new policies and procedures, and regular mandatory training for all staff. The portal was particularly helpful to present the often changing and sometimes confusing guidelines of workplace health and safety related to the COVID-19 pandemic. Our new hire onboarding was updated with online required forms and documentation and a redesigned probation period that includes a two-way evaluation after 90 days.



Employee Morale

In FY2022, our organization was selected as a Post-Dispatch Top Workplace based on considerable staff feedback to an external, third-party survey. Through involvement with the process, we gained valuable insight on employee satisfaction, motivation, and areas for improvement. The designation demonstrates our commitment to staff and encourages us to seek more avenues to improve employee satisfaction.



Accounting

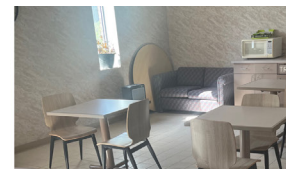
The IHLS financial team works hard to support our core services and allow us to economize our precious taxpayer support. Operating with one fewer team member in the department necessitates they improve functionality. In FY2022, our accounting staff continued to innovate, using technology to achieve savings on routine functions:

- Accounts receivable invoices are emailed instead of mailed, saving IHLS approximately \$3,000 annually.
- Accounts payable checks now have a digital dual-signature review and approval process, which allows for faster processing of payment to vendors.
- The Microix automated timekeeping system affords more accurate data and integrates with our financial database, saving roughly 10 work hours per payroll. It also provides more granularity in reporting and querying, which allows us to dive deeper and look at trends.

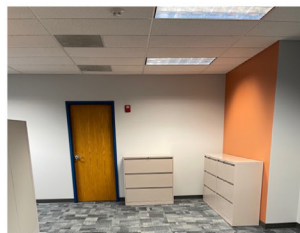
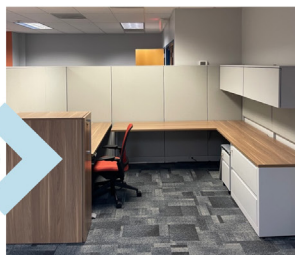
As a support function, our finance team plays an active role in all projects and services. They provide cost analyses, financial projections, and detailed reports. Using our OpenGov platform for budgeting, we present monthly balance sheet and statements of revenues and expenditures. Thanks to our growing facility with OpenGov, budget and project managers have real-time access to account information.

Facilities

This year, Facilities oversaw updates to the Finance and HR Department and the downstairs kitchen in our Edwardsville building in preparation to potentially rent the room out to other organizations.



before



after

The kitchen received new paint, new carpet, new furniture, and a mounted television set for trainings. We also converted the rarely used large training room into a bright and cheerful three-room suite for Finance and HR for improved security and collaboration.

Information Technology

In our technology-driven world, it is reassuring to work with a team of IT professionals who are always willing to go the extra distance to aid IHLS and member library staff. This year, our IT department focused on supporting hybrid work, strengthening our cybersecurity, facilitating virtual events, and re-vamping our website.

Hybrid Work with MS Teams

Early in FY2022, the team helped IHLS staff transition from a primarily remote work environment to a hybrid model. We continue to take advantage of technology available from Microsoft Teams, which enables our staff to communicate no matter where they are working:

- **VoIP Phones.** IHLS staff are no longer tied to desk phones as we rely on VoIP (Voice over Internet Protocol) technology to talk any way we are logged into Teams. The switch has increased communication options with our members and made our staff more available regardless of their physical location with direct dial access.
- **Microsoft Intune.** This program allows for on-line software delivery and updates regardless of where a staff member is located, and it provides a better picture of staff-assigned laptops.
- **Microsoft Azure.** Our cloud functionality is significantly improved with Microsoft Azure allowing for better storage management and flexible virtual servers.

Cybersecurity

The hardware, software, and network supported by the IT team must stand up to heavy usage and

constant threats. Keeping member library data safe is a key concern:

- We moved to TeamViewer to troubleshoot for IHLS and member library staff utilizing the SHARE platform.
- As we implement safeguards to stay ahead of information technology dangers with upgraded firewalls at all three offices (Carbondale, Champaign, and Edwardsville) and at our colocation facility at the University of Illinois at Urbana-Champaign.

Virtual Events

While many have returned to all in-person formats for events, we recognize that virtual and hybrid events offer greater accessibility for all IHLS members. Thus, we continue to join others in the virtual workspace:

- Zoom technology has served IHLS governance and members well.
- IHLS led another successful virtual Member Day in 2021 relying on the PheedLoop platform.

Website Revamp

The work of building our new website requires more than the marketing and communications staff's contributions to style and design. It also demands a heavy share of web building. In tandem with Marketing & Communications, members of the IT team are actively engaged in such work as:

- Improving back-end functionality.
- Increasing the visibility of targeted events.

Delivery



Library materials delivery is a service that touches each of our 521 member libraries. Provided at no cost to members, delivery and its improvements have a system-wide impact.

In FY2022, we focused on a legacy system practice known as Delivery On the Go. The beauty of the Delivery On the Go method is its simplicity and speed. Libraries not at the beginning of a delivery route can have patron-requested items delivered the same day by selecting the item from a library ahead of them on the route. Previously, down-route delivery was not adopted equally in all three hubs. And, because all IHLS delivery routes are the same each day, it is easy to convey to members their options for selecting same-day delivery.

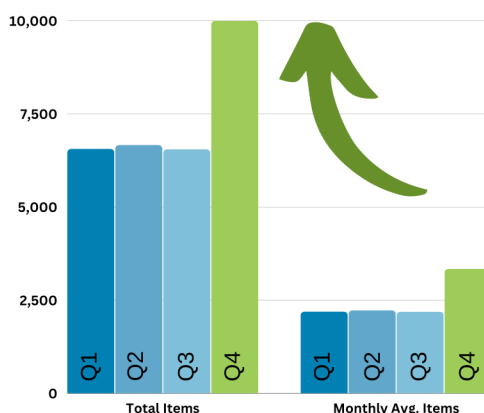
This year, we relaunched the service to members, and the impact has been impressive. The bright orange bags we designed to indicate down-route items have

caught members' eyes and are frequently used. Member libraries are intentionally seeking items from libraries ahead of them on the route and placing holds. Patrons are no longer waiting a day or two for items to arrive. The power of the "same route, same day" branding is demonstrated here where usage increased after the new promotion compared to three quarters prior.

Improvement to service provision is another focus of our delivery department. IHLS has studied the impact of automatic material handlers (AMH) in the broader library context. In FY2022, IHLS issued a Request for Information (RFI) to better understand these systems. As an RFI is a tool for making to informed decisions, an AMH can:

- Provide more accurate delivery of library materials to SHARE member libraries;
- Use label-free delivery to save SHARE members 152 miles of receipt paper; and
- Reduce IHLS staff time currently spent manually sorting over 2.6M delivery items.

IHLS Delivery On the Go Service Use



52 %
INCREASE
IN USE
AFTER THE
APRIL 12
RELAUNCH

Bibliographic Services

A hallmark of library service in Illinois is the degree to which agencies openly share their resources with each other's patrons. But how does that happen? What are the mechanics that facilitate resource sharing? IHLS supports resource sharing with three distinct services: the description of library materials via bibliographic services, the delivery of library materials between member libraries, and the maintenance of a single integrated library service platform to provide seamless collaboration within a robust organization of member libraries.

Bibliographic services, or cataloging, ensure that patrons can find the library items they need in a public access catalog quickly and easily. Cataloging is a complex, multilayered process. IHLS supports libraries across the state by providing training to support catalogers at all levels and by improving access within online catalogs for automated library groups. One could imagine cataloging as the rules of the road: they direct patrons to resources by instilling order and consistency in the description of library items, so users have a successful searching experience every time. In FY2022, IHLS Bibliographic Services sought to enhance their support with enhanced cataloging training and a partnership with an Illinois consortium for academic libraries.

Continuing Education for Member Catalogers

We serve Illinois libraries through two distinct sections of bibliographic services staff at IHLS. A primary difference between SHARE and CMC cataloging services is member library location. SHARE member libraries are in the IHLS service area, and cataloging training factors into their membership fees. By contrast, the CMC serves libraries in the IHLS service area and across the state. In FY2022, both sections of IHLS Bibliographic Services focused on improving their cataloging training with projects and procedures targeted to their membership.



SHARE

SHARE

SHARE (Sharing Heartland's Available Resources Equally) catalogers give training and support to the 338 members of the consortium. In SHARE, member training is of paramount importance: SHARE provided member catalogers over 1,030 training hours this year. A few endeavors have helped SHARE maintain a high standard of education in FY2022:



- **Mandatory Training Hours for Members.** SHARE member library catalogers are required to participate in 15 hours of continuing education per year.
- **Increased Offerings.** Additional training was added to the online SHARE environment, minimizing member library staff's travel costs and time away from their library while increasing accessibility with the option to return to a class if necessary.
- **Library Conference Presentations.** CMC staff presented at state and national conferences as well as Illinois regional library conferences.
- **Multi-Week Asynchronous Courses.** CMC provided concentrated, in-depth cataloging training to over 60 library staff via our Moodle platform.



Cataloging Maintenance Center

Cataloging Maintenance Center (CMC) catalogers are supported by a grant from the Illinois State Library (ISL) to provide services that help improve access to the resources in Illinois libraries. To do so, the CMC has maintained and improved their training with several activities:

- **Online with the CMC.** We have continued to offer these popular monthly mini-webinars featuring short, focused learning sessions followed by a question-and-answer period. In FY2022, we provided 400 training hours to libraries statewide



CARLI Partnership

In FY2022, IHLS began a partnership with the Consortium for Academic and Research Libraries in Illinois (CARLI) to improve access in CARLI's newly upgraded integrated library system. CARLI contracted with IHLS to provide record deduplicating services for their Alma catalog platform. This allowed IHLS to hire three temporary full-time staff under the direction of the CMC to work with CARLI staff on the project.

Resource Sharing with SHARE



We have a unique approach to sharing library resources at IHLS: 331 IHLS members (or nearly 65 percent of our members) share the costs of one integrated library system (ILS) to provide access to over 8.7 million items to patrons in central and southern Illinois. And, in terms of membership, SHARE is the largest resource sharing group in North America! In fact, the strength of the SHARE consortium is sometimes best viewed in numbers:

- 338 Member agencies
- 467 Member service locations
- 755,209 Member patrons
- 2,943 Member library staff
- 26 IHLS staff supporting SHARE
- \$.40 per circulating item (average cost)

Each year, the SHARE organization unveils new member services. All enhancements are vetted by SHARE members and staff through an active governance structure. This year, SHARE focused on enhancement projects including the new SHARE Mobile App, the integration of other new tools and member resources, policy updates, member engagement and communications, and added member support and training.

SHARE Mobile App

Following thorough evaluation, SHARE member li-

braries can offer a startup version of the app without additional member fees. This app offers curated content and recommended book lists including those from member libraries. And, for added convenience, the SHARE app easily integrates patron information for cardholders. It also offers a few features for the libraries themselves. For instance, the SHARE app rolled out with new resources including marketing materials for members to use across various channels. And, for an added fee, members may further customize the app for their library. As a result, the SHARE Mobile App allows member libraries to better compete in the marketplace for information providers.

Other Tools & Resources

To further enhance the consortium's service to member libraries this year, SHARE staff worked to integrate several new tools and resources:

- Introduction of McNaughton Book Leasing for SHARE members
- Promotion of a new service called Biblio+
- Offered CollectionHQ DEI Analysis Tool
- cloudLibrary data analysis (collection saw substantial growth thanks to an FY2021 grant, included benchmarks of how SHARE uses cloudLibrary, return on investment and comparison to similarly sized groups; see figure 2)

Policy Improvements

SHARE staff also helped improve the experience of member library patrons and the safety of members themselves this year. To do so, they implemented a few policy changes:

- Common Loan Guidelines. These guidelines were launched to help encourage consistency in lending periods and renewals.
- SHARE Data Privacy and Protection Policy.
- Extended billing period for damaged or lost items. As a result of the COVID-19 pandemic, member libraries could extend the billing period to 18 months.

Member Engagement and Communications

Timely communications and member engagement are key to retaining members. So, SHARE staff implemented several new strategies for communication and engagement:

- Hosted virtual 10th birthday party for SHARE's 10th anniversary
- Patron engagement content, including most requested items, cloudLibrary readers advisory content shelves and social media posts, patron-facing Highlights page
- Downtime alerts: created new service through RainedOut to quickly share news regarding interruptions of service

Support & Training

Compared to four other peer library groups, SHARE had:

- second-highest average downloads per user
- highest number of circulations (404,068)
- highest number of unique users (17,043)

- lowest cost-per-circulation (\$.57/circulation)
- 41 circulations per copy

SHARE staff also extended further support and training for several new and old initiatives:

- Support and training of Polaris reporting module
- Announcement and support during retirement of the Internet Explorer browser which changed members' remote access to the Polaris platform
- Member library support of Illinois library initiatives Cards for Kids and Cards for Vets
- School library member support as they complied with SOPPA (the Illinois Student Online Personal Protection Act)

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Membership

Everything we do at IHLS is in support of members as they provide excellent service to their patrons—from elementary school to college students in academic institutions, individuals in correctional facilities and other special libraries, toddler lap-sit to senior book clubs in public libraries. A primary goal of membership services is to “support member libraries in their efforts to provide excellent library service to their stakeholders.” This support takes many shapes and comes from professional membership staff who specialize in working with multi-type libraries.

This year, we wanted to share more grant information of interest to our members, to build relationships with agencies that can benefit our members, and to better participate in the larger Illinois library community. To do so, we focused on making site visits to new member directors, facilitating continuing education and networking, collaborate to better support school libraries, and meeting members where they are through conference attendance.

Site Visits to New Directors

At IHLS, we find that site visits to new library directors are invaluable! Our membership team’s visits help put a friendly “face” on system staff. Meeting us personally helps them feel even more welcome to contact us whenever they need assistance. Additionally, these visits allow us to hand directors a helpful information packet while we provide more information about IHLS and the Illinois library community for those who need it. Although we always aim to reach or surpass our annual goal of visiting 20 percent of our member libraries, the COVID-19 pandemic has stood in our way for the last several years. IHLS tried to hold these visits via ZOOM at the height of the pandemic, but virtual visits proved less useful. We find that in-person visits open more conversations than virtual visits. For instance,

directors are far more likely to bring up more of their concerns, allowing us more opportunities to help or answer their questions. As restrictions eased in FY2022, we could finally return to in-person visits. This year, we completed 60 site visits:

- 23 public libraries
- 34 school libraries
- 1 academic library
- 2 special libraries

Continuing Education and Networking

Because our member library staff are at their best when they are informed and up to date on issues facing libraries, we strive to provide timely adult education programs at no cost to members (when possible). Some highlights among these opportunities were our 2021 Member Day, our Members Matter & Directors’ Chats sessions, and our Human Resources webinars.

Member Day

The best example is our signature annual event, Member Day. Celebrating Libraries, Building Partnerships was the theme for our second virtual Member Day in November 2021. We utilized a multi-function platform, which gave more functionality and greatly reduced the tasks required for self-hosting. The virtual event is quite popular with members, and while we miss gathering in person, we appreciate the benefits of a virtual mode. The 2021 Member Day featured the following:

- 2 keynote speakers
- 9 breakout sessions
- a lunch-and-learn with 4 mini-sessions

- a school library track with professional development hours available
- a public library trustee track with 4 sessions
- a virtual exhibit hall with a variety of vendors
- access to session recordings for registered attendees
- the ability to track attendance for prizes
- a cookie break (we sent cookies to attendees ahead of time)

IHLS Members Matter and Directors' Chat Events

At IHLS, the continuing education and networking opportunities for members are only bounded by time, funding, and creativity. This year, we shared our continuing education calendars with members at regular intervals. To develop those calendars, we set sessions at least six months in advance. And, to help members better plan for the sessions, we created Third Thursdays for Members Matter opportunities. On all other Thursdays, we conduct text-based Directors Chats. The membership team continues to support member libraries with a breadth of programming under the Members Matter banner. When possible, the sessions are recorded for additional participation. Through this series alone, IHLS provided 820 continuing-education hours. Our 2022 Members Matter calendar included 10 continuing education segments (see table). As is evident, there was an equity, diversity, and inclusion theme running through the entire Members Matter series. We are committed to increasing member library knowledge of the many types of diversity they may encounter in their communities, so they can better serve their communities.



820 IHLS Members Matter CE Hours

Session title	Date	Registered Attendees
Grant Writing and the American Recovery Act Grants	July 13, 2021	80
The Impact of Building Inclusive Communities in Rural Illinois	Aug. 19, 2021	49
Broadband and Illinois Libraries	Sept. 16, 2021	47
Think Forward, Not Straight: Understanding the LGBTQ+ Spectrum	Oct. 21, 2021	66
Equity, Diversity and Inclusion Part One	Jan. 20, 2022	52
Grant Writing: Hints, Hacks and Hopes	Feb. 17, 2022	35
Equity, Diversity and Inclusion Part Two	March 17, 2022	32
The Grant that Became a Collaboration	April 21, 2022	25
Serving Those with Memory Loss and Their Care Givers	May 19, 2022	37
Maintaining Your Library Facility	June 16, 2022	24

Human Resources Webinars

Human resources administration is a facet of every library director's job, and for the second year in a row, IHLS partnered with HR Source to make a series of webinars available at a low cost for members:

- Crisp, Clear and Concise: A Formula for Effective Communication
- Effective Delegation
- Legal Issues for Supervisors

Collaborating to Serve School Libraries

We view active collaboration with professional groups as part of our mission. A useful example of this is our support for school libraries in a working group with the Association for Illinois School Library Educators (AISLE). This partnership is comprised of representatives from AISLE, IHLS, the Reaching Across Illinois Library System (RAILS), the Illinois State Library, and ILA. Monthly meetings have allowed stakeholders to discuss such topics as intellectual freedom challenges and the lack of good data about Illinois school libraries. The benefit to the Illinois school community is significant in that efforts to provide service are conducted with a statewide focus. As a result, of these collaborative efforts, we added a school library liaison to our membership team and joined a mission to collect better data on Illinois school libraries.

Adding a School Library Liaison

Our efforts with the AISLE working group were supported by an addition to the IHLS membership team. We brought on a school library liaison

in January, and her value has been apparent since her work began—from her reaching out during the certification period to her participation in networking groups to her efforts to make site visits. In short, our school library liaison has made our school libraries aware that they are a valuable part of the system and that their input matters.

Improving School Library Data

In our meetings with AISLE, we determined that poor data about Illinois school libraries, particularly in staffing, is of critical concern. For instance, Illinois could not be included in a recent national study about school libraries because the data available through the Illinois State Board of Education was so poor. Our colleagues at RAILS brought in staff to work on this problem specifically. This has been a focus of the working group, and the input from the IHLS school library liaison has been crucial to the progress of this initiative. The annual certification process in FY2022 was an opportunity to start to remedy the situation. Questions for schools were added that dealt with staffing, collection size, and budget. Much work has been done since then to clarify the data that was collected through certification.

Conference Participation

The COVID-19 pandemic forced many organizations to pivot to programming in a virtual environment. This year we had more of a mixed experience in networking and conference participation. IHLS has several member-driven networking groups who persevered through the pandemic and now are beginning to offer in-person networking opportunities. As with visits to libraries with new directors, our staff are thrilled to participate regardless of the format. Our staff also exhibited and presented at

conferences within the state virtually and in person: the Illinois Library Association (ILA) Annual Conference, the Association of Illinois School Library Educators (AISLE) Annual Conference, and Reaching Forward South. Staff presentations help establish our staff's ethos as experts in their fields. And when we exhibit at a conference, we further support the organization by sponsoring a specific component of conference programming. In addition, IHLS staff also present at webinars for professional associations.



SHARE

1.2 Participation in an LLSAP, Shared Integrated Library System, or Shared Consortial Catalog

Academic	9
Public	209
School	111
Special	11
TOTAL	340

Change: +1 agency over FY2021

Financial Report

2.1 FY2022 System Audit — see attachment 2.1

2.2 System Member Fees and Revenue

The SHARE fund contains LLSAP user fees from member libraries in the following categories:	
Cloud Subscription	\$115,644
GALE Subscription	\$17,873
New York Times Subscription	\$2,114
SHARE LLSAP Full Member Fees	\$1,174,803
SHARE LLSAP Transitional Member Fee	\$17,474
SHARE Bibliographic Service Fee	\$78,003
SHARE Additional Module Fees	\$36,000
SHARE SAM Fee	\$11,121
Total:	\$1,453,032
The SHARE fund contains LLSAP group purchase fees from member libraries in the following categories:	
SHARE Ebook Purchases	\$82,415
Total:	\$82,415
The General fund contains program attendance and purchase fees on behalf of member libraries in the following categories:	
HR Source Webinars	\$640
Library Law Books	\$483
Serving Our Public Books	\$440
Dreamhost Domain Name	\$490
Swank Movie Copyright Compliance Site License	\$2,102
Total:	\$4,154

2.3 System Non-Member Fees and Revenue

The General fund generated revenue in the following categories:	
Surplus of Assets	\$11,876
E-Rate Funding	\$3,240
ILDS Contract	\$260,658
Member Day Vendor Sponsorships and Promotional Product Sales	\$4,517
Total:	\$280,291
The OCLC fund generated revenue in the following categories:	
ILLINET/OCLC Group Service Fees	\$4,792,259
ILLINET/OCLC Monthly Network Transactional Billing	\$288,570
Total:	\$5,080,829

2.4 Capital Expenditures in Excess of \$5,000

Capital Projects Fund Expenditures
Champaign Building – Remodel of ADA Restrooms
Edwardsville Building – First and Second-Floor Remodel <ul style="list-style-type: none"> • Remodel of the first-floor kitchen/training room • Installation of screen dividers on the first floor • Replace two sets of custom size metal doors on the first-floor loading dock area • Demolish and remodel office space in the Finance/HR office suite • Removal of wallpaper and painting of second-floor bathrooms and kitchen
SHARE Fund Expenditures
N/A

2.5 Loans or Letters of Credit

As of June 30, 2022, there were no outstanding loans or mortgage payables for Illinois Heartland Library System.

As of June 30, 2022, IHLS had the following letters of credit:

- Busey Bank – \$5,000,000.00
- US Bank – \$4,500,000.00

2.6 Treasurer's Surety Bond

PUBLIC OFFICIAL BOND
(Definite Term)

Travelers Casualty and Surety Company of America

Bond No. 107547938

KNOW ALL MEN BY THESE PRESENTS, That we **CHASTITY MAYS**
of 107 SOUTH GLENVIEW DR, CARBONDALE, IL 62901
as Principal, and Travelers Casualty and Surety Company of America, a corporation duly incorporated under the laws of the State of
Connecticut, as Surety, are held and firmly bound unto Illinois Heartland Library System
as Obligee, in the penal sum of One Million Seven Hundred and Fifty Thousand
(\$1,750,000.00) Dollars, lawful money of the United States of America, for the payment of which well and truly to be made,
said Principal binds himself/herself, his/her heirs, executors, administrators and assigns, and said Surety binds itself, its successors
and assigns, jointly and severally, firmly by these presents.

WHEREAS, the said Principal has been Elected to the office of Treasurer/Board Member
for a definite term beginning December 1, 2021, and ending November 30, 2022, and is required to furnish a bond for
the faithful performance of the duties of the said office or position.

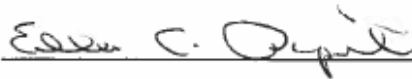
NOW, THEREFORE THE CONDITION OF THIS OBLIGATION is such that if the above bounden Principal shall (except as
hereinafter provided) faithfully perform the duties of his/her said office or position during the said term, and shall pay over to the
persons authorized by law to receive the same all moneys that may come into his/her hands during the said term without fraud or
delay, and at the expiration of said term, or in case of his/her resignation or removal from office, shall turn over to his/her successor
all records and property which have come into his/her hands, then this obligation to be null and void; otherwise to remain in full force
and effect.

PROVIDED, HOWEVER, that the above named Surety shall not be liable hereunder for any loss of any public fund resulting from
the insolvency of any bank or banks in which said funds are deposited; and, if this provision shall be held void, this entire bond shall
be void.

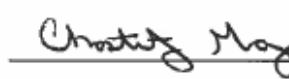
AND PROVIDED FURTHER, that the Surety may cancel bond at any time during the said term by giving to the obligee a written
notice of its desire so to cancel and at the expiration of thirty (30) days from the receipt of such notice by the obligee the surety shall
be completely released as to all liability thereafter accruing. If this provision shall be held void, this entire bond shall be void.

SEALED and dated this December 2, 2021

CHASTITY MAYS



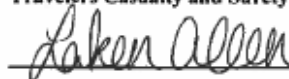
Witness By:



Principal

Travelers Casualty and Surety Company of America

By:



Laken Allen Attorney in Fact

S-2232 (06-08)

Membership

3.1 Changes in System Membership

At the June meeting of the Illinois Heartland Board of Directors, membership applications from the following agencies were confirmed:

- Bismarck-Henning Rossville-Alvin Cooperative High School
- Grand Prairie CCSD 6
- Vandalia Correctional Center

At that same board meeting, requests for withdrawal from the following agencies were accepted:

- Hanson Professional Services Incorporated
- U.S. Army Engineer Research and Development Center (ERDC) Library

An agency was closed during FY2022 and was withdrawn from system membership.

- Lincoln College

3.2 Number of System Members

The number of full member agencies and the numbers of member agencies by type are as follows:

- | | |
|----------------------|------------|
| • Academic Libraries | 29 |
| • Public Libraries | 227 |
| • School Districts | 237 |
| • Special Libraries | 28 |
| Total | 521 |

3.3 Continuing Education/Training

The continuing education/training programs offered by the system for the priorities of service, including the types of offerings, number of events held, total number of participants, and total number of contact hours provided, is as follows:

IHLS

	FY2022	Change from FY2021
Number of events/programs	26	+18
Number of participants	735	+153
Total Contact Hours	2,105.5	+725.5

- The Monthly Members Matter series drew 410 participants for 820 contact hours.
- The 3-part Library Human Resources series drew 73 participants for 109 contact hours.
- The 2021 Member Day involved 228 participants for 1140 contact hours.
- Although not a specific Continuing Education offering, 38 Directors' Chats were held in FY2022 for a total of 1103 contact hours.

Note: The majority of IHLS continuing education opportunities were recorded for future viewing and the library system does not currently track those numbers.



SHARE and CMC

Number of events/programs	125
Number of participants	1381
Total Contact Hours	2,391

CE events offered by SHARE and the CMC included trainings on any and all aspects of working with our automation consortium. Multilevel barcoding and circulation trainings were made available to SHARE members.

3.4 Member Site Visits

• Academic Libraries	1
• Public Libraries	23
• School Districts	34
• Special Libraries	2
Total	60

The ongoing threat of the COVID virus continued to make site visits challenging. We look forward to reaching 20% in FY2023.

3.5 Non-Resident Fee Participation

This listing of public libraries in IHLS with indication of whether they are or are not participants in the non-resident fee program can be found at the following URL:

www.illinoisheartland.org/members/non-resident-fee

Staffing

4.1 System Staff

Last Name	First Name	Title	Department	Hours Worked Per Wk	Hourly Payrate	Annual Salary
Current Positions						
Baugh	Jennifer	SHARE Bibliographic Services Manager	Resource Sharing	40.00		\$ 70,403.06
Beasley	Danielle	SHARE Circulation and Resource Specialist	Resource Sharing	40.00		\$ 52,171.86
Bednar	Leslie	Executive Director	General Administrative	40.00		\$ 156,948.93
Behrens	Steven	Courier	Operations	18.00	\$ 15.94	
Bode	John	Courier	Operations	18.00	\$ 17.53	
Boylan	Ceili	Sorter	Operations	18.00	\$ 12.00	
Brown	Troy	IT Director	Information Technology	40.00		\$ 127,617.10
Burgett	Christie	Courier	Operations	18.00	\$ 12.75	
Bushong	Stacie	Executive Assistant	General Administrative	40.00	\$ 27.72	
Chapman	Brandon	Network Administrator	Information Technology	40.00		\$ 70,677.78
Chmielewski	Phillip	Courier	Operations	18.00	\$ 15.94	
Chubb	Ronald	Courier	Operations	18.00	\$ 14.35	
Cornell	Mary	Cataloger	Resource Sharing	40.00		\$ 52,172.12
Cullen	Kevin	Courier	Operations	18.00	\$ 12.75	
Dauer	Bonnie	Cataloger	Resource Sharing	40.00		\$ 57,389.02
Dell	Aaron	Sorter	Operations	18.00	\$ 12.00	
Dettenmeier	Colleen	Senior Accountant	Accounting	40.00		\$ 59,408.75
Egts	Katherine	Metadata Cataloger	Technical Services	40.00		\$ 46,954.96
Fruhling	Terry	Courier	Operations	18.00	\$ 15.94	
Gieselmann	Leo	Courier	Operations	18.00	\$ 12.75	
Gregory	Leah	Membership Coordinator	General Administrative	40.00		\$ 59,000.00
Greve Penrod	Shandi	Marketing Coordinator	General Administrative	40.00		\$ 57,389.02
Harris	Latisha	Sorter	Operations	18.00	\$ 12.00	
Henderson	Michael	Circulation and Resource Sharing Specialist	Resource Sharing	40.00		\$ 42,440.94
Herald	Andrew	Courier	Operations	18.00	\$ 12.75	
Hickman	Bruce	Courier	Operations	18.00	\$ 12.75	
Hogan-Downey	Carol	Communications Coordinator	General Administrative	40.00		\$ 41,737.02
Horton	Marcia	Sorter	Operations	18.00	\$ 13.50	
House	Nathan	Sorter	Operations	18.00	\$ 12.00	
Jaber	Hanan	Cataloger	Resource Sharing	40.00		\$ 52,172.12
Jennings	Donald	Courier	Operations	18.00	\$ 14.35	
Johnisee	Rhonda	Finance Director	Accounting	40.00		\$ 95,005.04
Johnson	Linda	Cataloger	Resource Sharing	40.00		\$ 46,954.96
Johnston	Mary	Tech Support Specialist	Resource Sharing	40.00	\$ 22.59	
Jones	Brenda	Courier	Operations	18.00	\$ 12.75	
Jones	Larry	Courier	Operations	18.00	\$ 19.13	
Kates	Linda	Operations Manager	Operations	40.00		\$ 70,403.06
Knirr	John	Web and IT Administrator	Information Technology	40.00		\$ 51,887.94
Knowlton	Heather	HR Assistant	Human Resources	18.00	\$ 17.00	

Staffing

Last Name	First Name	Title	Department	Hours Worked Per Wk	Hourly Payrate	Annual Salary
Current Positions						
Koester	Mary	ILDS Coordinator	Operations	40.00	\$ 14.87	
Malone	John	Courier	Operations	40.00	\$ 15.94	
McGinn	Michael	Courier	Operations	40.00	\$ 15.75	
McInerney	Lia	Delivery Coordinator	Operations	40.00	\$ 17.65	
McKinney	Eric	Cataloger	Resource Sharing	40.00		\$ 46,954.96
Merritt	James	Courier	Operations	18.00	\$ 12.75	
Moreland	Terry	Reporting Services Specialist	Resource Sharing	10.00	\$ 24.97	
Morrison	Timothy	Courier	Operations	18.00	\$ 12.75	
Munson Jr.	Harry	Courier	Operations	18.00	\$ 19.13	
Nichols	Clark	Courier	Operations	18.00	\$ 15.94	
Noll	Cheryl	Accounting Assistant	Accounting	32.00	\$ 19.77	
Owen	Philip	Courier	Operations	18.00	\$ 15.94	
Paden	Shirley	Accounts Recievable Coordinator	Accounting	40.00	\$ 24.23	
Palmer	Susan	Operations Director	Operations	40.00		\$ 88,074.06
Parr	Casey	Delivery Coordinator	Operations	40.00	\$ 17.77	
Patt	Jon	Courier	Operations	40.00	\$ 12.75	
Pearson	Susan	Cataloger	Resource Sharing	40.00		\$ 47,399.31
Perkins	Elizabeth	Cataloger	Resource Sharing	40.00		\$ 52,172.12
Perry	Roger	Courier	Operations	18.00	\$ 17.53	
Petty	Linda	Area Manager	Operations	40.00		\$ 77,443.08
Phelps	Bryan	Courier	Operations	18.00	\$ 12.75	
Pippin	Donald	Cataloger	Resource Sharing	40.00		\$ 52,172.12
Pitcher	Christina	Sorter	Operations	18.00	\$ 12.00	
Popit	Ellen	Associate Director	General Administrative	40.00		\$ 141,024.00
Porter	Dena	Administrative Services Manager	Resource Sharing	40.00		\$ 56,322.00
Ringering	Jerry	Courier	Operations	40.00	\$ 14.35	
Scoby	Barbera	Catalger	Resource Sharing	40.00		\$ 46,954.96
Sedor	Jacob	SHARE Administrative Service Specialist	Resource Sharing	40.00	\$ 20.43	
Shrewsberry	Timothy	Courier	Operations	40.00	\$ 12.75	
Sipole	Gary	Courier	Operations	40.00	\$ 14.66	
Sjursen	Paul	Sorter	Operations	18.00	\$ 16.50	
Smith	Nancy	Sorter	Operations	18.00	\$ 12.00	
Sparrow	Rick	Courier	Operations	18.00	\$ 12.75	
Stewart	Richard	Courier	Operations	18.00	\$ 15.94	
Stone	Shelley	Cataloger	Resource Sharing	10.00	\$ 30.10	
Swallers	Steven	Courier	Operations	18.00	\$ 14.35	
Tarro	Richard	Courier	Operations	18.00	\$ 12.75	

Last Name	First Name	Title	Department	Hours Worked Per Wk	Hourly Payrate	Annual Salary
Current Positions						
Taylor	Sarah	Administrative Assistant	Operations	40.00	\$ 18.54	
Thomas	Pamela	Bibliographic Project Coordinator	Technical Services	40.00		\$ 70,403.06
Thomas	Russell	Courier	Operations	40.00	\$ 12.75	
Thompson	Angela	Delivery Coordinator	Operations	40.00	\$ 18.59	
Thompson	Cassandra	SHARE Director	Resource Sharing	40.00		\$ 94,570.06
Tosh	Marshel	Courier	Operations	18.00	\$ 12.75	
Trevino	Jill	Human Resources Coordinator	Human Resources	40.00		\$ 85,972.90
Vana	Eric	Sorter	Operations	18.00	\$ 12.00	
Walter	Blakely	Cataloger	Resource Sharing	40.00		\$ 57,389.02
Ward	John	Courier	Operations	18.00	\$ 19.13	
Weaver	Daniel	Courier	Operations	40.00	\$ 14.35	
Wiarda	Jonathan	Sorter	Operations	18.00	\$ 12.00	
Wiegand	Anna	Cataloger	Resource Sharing	40.00		\$ 46,954.96
Wingerter	Brant	Web Developer	Information Technology	40.00		\$ 75,712.42
Witt	Glen	Courier	Operations	18.00	\$ 14.35	
Wollitz	Gary	Courier	Operations	18.00	\$ 15.94	
Yackle	Annabel	Membership Coordinator	General Administrative	40.00		\$ 70,080.92
Zarr	Johnathan	Sorter	Operations	18.00	\$ 12.00	
Zink	Josh	Cataloger 3	Resource Sharing	40.00		\$ 57,652.92
Staff Terminations (Voluntary/Involuntary)						
Anderson	Ian	Cataloger	Technical Services	40.00		\$ 47,337.40
Daugherty Egland	Susan	Sorter	Operations	18.00	\$ 12.00	
	Madison	Sorter	Operations	18.00	\$ 12.00	
Elliott	Edith	Cataloging Supervisor	Resource Sharing	40.00		\$ 63,418.00
Georges	William	Courier	Operations	40.00	\$ 12.75	
Guardado	Ashley	Sorter	Operations	18.00	\$ 12.00	
Hagemann	Elizabeth	Sorter	Operations	18.00	\$ 12.00	
Hazelton	Molli	Sorter	Operations	18.00	\$ 12.00	
Jonson	Gerry	Courier	Operations	18.00	\$ 12.75	
Johnson	Steven	Cataloging Assistant	Resource Sharing	10.00	\$ 24.61	
Laird	Bryan	Courier	Operations	18.00	\$ 12.75	
Landolt	Dale	Courier	Operations	18.00	\$ 12.81	
Margold	Heidi	Cataloger	Technical Services	40.00		\$ 42,089.00
McDaniel	Staci	Sorter	Operations	18.00	\$ 12.00	
Morris	Deborah	Cataloger	Technical Services	40.00		\$ 41,737.00
Mueth	Ashley	Sorter	Operations	18.00	\$ 12.00	
Nichols	Thomas	Courier	Operations	18.00	\$ 12.75	

Staffing

Last Name	First Name	Title	Department	Hours Worked Per Wk	Hourly Payrate	Annual Salary
Staff Terminations (Voluntary/Involuntary)						
Ray	Kenneth	Courier	Operations	18.00	\$ 12.75	
Rose	Erin	Metadata Cataloger	Technical Services	40.00		\$ 42,440.94
Russell	Blair	Courier	Operations	18.00	\$ 12.75	
Schuler-Faust	Cheryl	Cataloger	Technical Services	40.00		\$ 48,803.87
Tarro	Richard	Courier	Operations	18.00	\$ 12.75	
Theisen	Kristen	Sorter	Operations	18.00	\$ 12.00	
Vallino	Eugene	Courier	Operations	18.00	\$ 12.75	
Voiles	Ruthann	Courier	Operations	18.00	\$ 12.75	
Yowell	Travis	Courier	Operations	18.00	\$ 12.75	
Zavediuk	Lesley	SHARE Circulation Specialist	Resource Sharing	20.00	\$ 27.59	

4.2 Staff Vacancies and Positions Eliminated

Vacant Positions	Dept	Weekly Hours	Salary
None	n/a	n/a	n/a
Eliminated Positions			
None	n/a	n/a	n/a

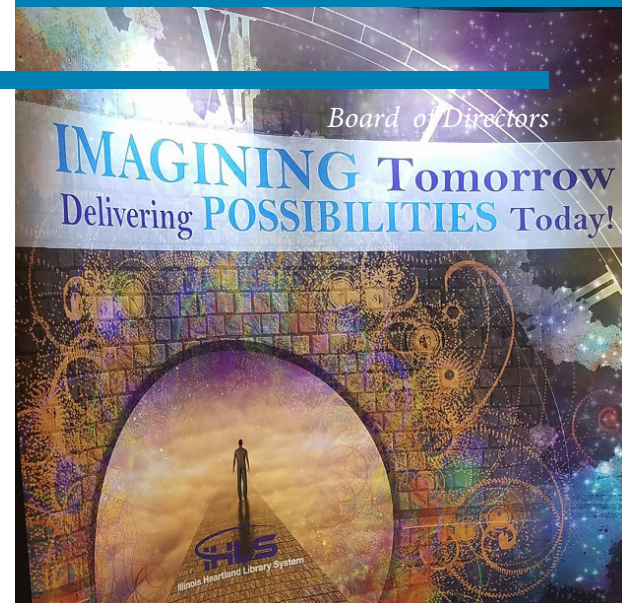
Board of Directors

5.1 Board Meetings Held

The regular meetings of the Board of Directors of the Illinois Heartland Library System are held at 5 p.m. on the fourth Tuesday of the month, usually at Illinois Heartland Library System. Due to COVID-19, all meetings were held via Zoom only. There was not a regularly scheduled meeting for the month of December.

- July 14, 2021
- July 27, 2021
- August 24, 2021
- September 9, 2021
- September 28, 2021
- October 26, 2021
- November 23, 2021
- December 13, 2021
- January 25, 2022
- February 22, 2022
- March 22, 2022
- April 18, 2022
- April 26, 2021
- May 24, 2022
- June 21, 2022

All Board and committee meeting agendas are posted on the Illinois Heartland Library System website at www.illinoisheartland.org.



5.2 System Board Members

Board Members	Board Title/Location	Address	Phone	Email
Loretta Broomfield Vice President June 2022	Public Library Rep Marion Carnegie	206 South Market St. Marion, IL 62959	618.993.5935	lbroomfield@board.illinoisheartland.org
Karen Bounds MAL & FOIA June 2022	Public Library Trustee Centralia Regional Lib Dist	515 East Broadway Ave. Centralia, IL 62801	618.532.5146	kbounds@board.illinoisheartland.org
Stacey Carter Secretary June 2024	Special Library Rep Lincoln Correctional Center	1098 1350th St. Lincoln, IL 62656	217.735.5411 x368	scarter@board.illinoisheartland.org
Ann Chandler June 2024	Public Library Trustee Taylorville PL	121 W Vine St. Taylorville, IL 62568	217.825.7196	achandler@board.illinoisheartland.org
Tiffany Droege June 2023	School Library Rep Belleville West HS	920 North Illinois St. Belleville, IL 62220	618.222.7500	tdroege@board.illinoisheartland.org
Jenna Griffith June 2024	School Library Rep Marion CUSD #2	1700 W Cherry St. Marion, IL 62959	618.993.5935	jgriffith@board.illinoisheartland.org
Ryan Johnson OMA Officer June 2024	Public Library Rep O'Fallon Public Library	120 Civic Plaza O'Fallon, IL 62269	618.696.9035	rjohnson@board.illinoisheartland.org
Tammy Krouse June 2024	School Library Rep Edwards County CCUD #1	361 W Main St. Albion, IL 62806	618.445.2327 x163	tkrouse@board.illinoisheartland.org
Kevin Latoz June 2024	Public Library Trustee Elwood Library District	104 N State St. Ridge Farm, IL 61870	217.806.6064	klatoz@board.illinoisheartland.org
Kris Lundquist June 2022	Public Library Trustee Watseka Public Library	201 S Fourth St. Watsseka, IL 60970	815.432.4544	klundquist@board.illinoisheartland.org
Chastity Mays Treasurer June 2024	Public Library Trustee Carbondale Public Library	405 W Main St. Carbondale, IL 62901	618.525.2676	cmays@board.illinoisheartland.org
Zachary Newell June 2023	Academic Library Rep Eastern Illinois University	600 Lincoln Ave. Charleston, IL 61920	217.581.6061	znewell@board.illinoisheartland.org
Beverly Obert June 2022	Public Library Trustee Atwood Hammond PL Dist	123 N Main St. Atwood, IL 61913	217.578.2515	bobert@board.illinoisheartland.org
Joshua Short President June 2022	Public Library Trustee Louis Latzer Memorial PL	1001 Ninth St. Highland, IL 62249	618.520.9148	jshort@board.illinoisheartland.org
Kelley Sullivan June 2024	Public Library Trustee Metropolis PL	317 Metropolis St. Metropolis, IL 62960	618.967.2708	ksullivan@board.illinoisheartland.org

5.2a Dates Elections Held and When New Board Members Seated

Board Elections are held annually in April. New members are seated at the May board meeting.

5.2b System Ethics Officer

Ellen Popit, Ethics Advisor

5.2c System FOIA Officer

Karen Bounds, FOIA Officer

5.3 Assessment of 23 ILAC 3030.255, Board of Directors Policies

The Board of Directors of the Illinois Heartland Library System has policies in place to meet compliance regulations with 23 ILAC 3030.255. Specific information can be found at the following:

- Policies and Bylaws — <http://www.illinoisheartland.org/?q=about/policies>
- Contracts and Purchasing — <http://www.illinoisheartland.org/sites/default/files/FinProcPolicy.pdf>
- Personnel Code (Conflict of Interest, Travel Expenditures and Secondary Employment) — <http://www.illinoisheartland.org/sites/default/files/IHLS%20Empl%20Code%20amendedMay2015.pdf>

5.4 Assessment of 23 ILAC 3030.260, Finances and Records

The Board of Directors of the Illinois Heartland Library System is compliant with 23 ILAC 3030.260.

- Financial records are maintained at the Administrative Headquarters in Edwardsville.
- A monthly financial report is prepared and reviewed by the finance committee and the full board.
- An annual audit is conducted.
- Funds are accounted for as of June 30th of each year by expenditure, encumbrance or reserves.
- An annual budget has been prepared and submitted prior to July 1.
- A purchase inventory is maintained.
- Accounts are organized on the basis of funds.
- Financial reports are submitted to the Illinois State Library twice a year.

5.5 Board Bylaws — see attachment 5.5

General and Delivery Annual Report

6.1 Appraisal of System Real Estate

Property Description	Own or Rent?	Value of Property	Plans for Property
Carbondale Hub 1740 Innovation Drive Carbondale, IL	Rent	\$6794.33/month or \$81,532 annually	Continue
Champaign Hub 1704 Interstate Drive Champaign, IL	Own	Appraised value \$850,000 as of 2018	Build office wall and relocate office door; resealing parking lot and cracks; parking lot striping
Edwardsville Hub 6725 Goshen Road Edwardsville, IL	Own	Appraised value 2,100,000 as of April 2019	Roof replacement; brick tuckpointing; remodel the remaining second floor and stairwells

6.2 Inventory of Motor Vehicles

Type (Model/Year)	License Plate No.	Current Mileage	Type of Use	Will vehicle be replaced during FY2023?
2019 Ford Transit F350	U33056	189,813	Delivery	Yes
2019 Ford Transit F350	U33021	154,703	Delivery	No
2019 Ford Transit F350	U33022	165,031	Delivery	No
2019 Ford Transit F350	U33023	246,860	Delivery	Yes
2020 Ford Transit F350	U33806	124,769	Delivery	No
2020 Ford Transit F350	U35061	91,477	Delivery	No
2015 Ford Taurus	U18520	85,730	Staff	No
2008 Dodge Grand Caravan SE	U25399	147,967	Staff	No
2020 Ford Transit Cargo Van T350	U35100	80,865	Delivery	No
2020 Ford F450 Box Truck	U35065	62,929	Delivery	No
2020 Ford Transit Cargo Van T350	U35062	69,170	Delivery	No
2018 Ford Transit T350	U32276	223,378	Delivery	Yes
2019 Ford Transit T350	U33167	186,787	Delivery	Yes
2018 Ford Transit T350	U32274	134,504	Delivery	No
2020 Ford Transit Cargo Van T350	U35058	75,158	Delivery	No
2015 Chevy Express 2500 Cargo	U29922	198,503	Delivery	Yes
2015 Ford Taurus	U30129	23,318	Staff	No
2020 Chrysler Voyager	U34175	18,004	Staff	No
2015 Chevy Express	U29923	150,966	Delivery	Yes
2018 Ford F450 Cargo Truck	U31660	274,020	Delivery	Yes
2018 Ford Transit F350	U32277	198,618	Delivery	Yes
2018 Ford Transit F350	U32517	189,714	Delivery	Yes
2019 Ford Transit F350	U33020	128,473	Delivery	No
2019 Ford Transit F350	U33807	77,417	Delivery	No
2019 Ford Transit F350	U33849	75,826	Delivery	No
2020 Ford Transit F350	U35063	69,941	Delivery	No
2020 Ford Transit F350	U35060	74,325	Delivery	No
2020 Ford Transit F350	U35069	61,897	Delivery	No
2015 Dodge Grand Caravan	U30423	76,024	Staff	No
2015 Ford Taurus	U8313	93,276	Staff	No

6.3 Out-of-State Travel

No. of Travelers	Actual Expense	Reason for Travel: Destination & Duration
3	\$1,825.39	Bibliotheca meeting (3 days)
1	\$1,271.32	The International Coalition of Library Consortia (ILCOLC) meeting (4 days)

7. FY2021 Delivery Annual Report — see attachment 7

Attachment 2.1

FY2021 System Audit

ILLINOIS HEARTLAND LIBRARY SYSTEM

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2022

ILLINOIS HEARTLAND LIBRARY SYSTEM

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ILLINOIS HEARTLAND LIBRARY SYSTEM

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ILLINOIS HEARTLAND LIBRARY SYSTEM

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

August 30, 2022

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Illinois Heartland Library System

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Illinois Heartland Library System (the System) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the System'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, the business-type activities, each major fund, and the aggregate remaining fund information of the System, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then end in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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 the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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 certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, 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 System's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in

the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Scheffel Boyle". The script is cursive and fluid.

Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

August 30, 2022

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Illinois Heartland Library System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Illinois Heartland Library System, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Illinois Heartland Library System's basic financial statements, and have issued our report thereon dated August 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Illinois Heartland Library System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Illinois Heartland Library System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Illinois Heartland Library System's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-1 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Illinois Heartland Library System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. We did identify two instances of noncompliance that are required to be reported under *Government Auditing Standards*, described in the accompanying schedule of findings and questioned costs as items 2022-2 and 2022-3.

Illinois Heartland Library System's Response to Findings

Illinois Heartland Library System's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Illinois Heartland Library System's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Alton, Illinois

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Illinois Heartland Library System's Management Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the Illinois Heartland Library System for the fiscal year which ended June 30, 2022 (FY2022). The MD&A is designed to:

- Focus on significant financial issues;
- Provide an overview of the Illinois Heartland Library System's financial activities;
- Identify any material deviations from the financial plan (approved budget); and
- Identify issues and/or concerns for each individual Illinois Heartland Library System Fund.

Background

The Illinois Heartland Library System (IHLS) is a quasi-governmental agency of the State of Illinois established through a merger on July 1, 2011, of four regional library systems in central and southern Illinois (Lewis & Clark, Lincoln Trail, Rolling Prairie, and Shawnee). Each regional library system was dissolved effective June 30, 2011.

Library systems have been a part of the library landscape in Illinois for over five decades. Following the enacting legislation in 1965, there were 18 Illinois library systems. Prior to the July 2011 IHLS merger, nine multitype regional library systems were in Illinois with the remaining five merging in July 2011 as well, which established the Reaching Across Illinois Library System (RAILS). Library Systems are funded primarily by a grant (System Area & Per Capita) administered by the Illinois State Library (ISL), which is a division of the Illinois Secretary of State. In the founding legislation, the Library Systems Area & Per Capita Grant (23 ILAC 3035.100) formula is based on \$36.5451 per square mile and \$1.0513 per person. The demographic information from the 2010 Census is used to calculate the funding level and indicates a total population served of 2,248,634 and 28,368 square mile service area. In FY2015, IHLS received requested funding of \$3,364,429. However, in FY2016 and FY2017 due to Illinois budget impasse IHLS's funding level was reduced to 58% of FY2015 funding level - \$1,989,671. In FY2018 through FY2022, IHLS received funding for \$3,400,700.

Funds received from the System Area & Per Capita Grant (SAPG) are utilized by IHLS to provide services to member libraries and to pay for the basic administration operations of the organization. In FY2022, 521 libraries of various types participated as members of IHLS (30 academics, 227 publics, 235 school districts, and 29 special libraries). Membership totals fluctuate from year to year for several reasons – libraries are suspended for failure to meet membership qualifications, agencies such as school districts and academic libraries consolidate locations as a cost-savings measure, and new library agencies apply for and are approved as a member. The service area comprises 58 counties in central and southern Illinois. Services are focused on supporting resource sharing through library materials delivery, library automation services, and cataloging.

A legally established Board of Directors governs the operation of IHLS. The Board of Directors (consisting of fifteen board members) are elected from the member libraries. Eight members must be members of the governing board of public libraries. Additionally, seven board members must represent:

- An academic library (1 director)
- A public library (2 directors)
- A school library (3 directors)
- A special library (1 director)

As an organization, the Illinois Heartland Library System is guided by its mission statement and vision. The mission statement of IHLS is:

To support member libraries of all types in providing quality library services. IHLS facilitates access to shared resources, advocates for libraries, promotes innovation and develops community partnerships.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The vision of IHLS is:

Illinois Heartland Library System (IHLS) empowers libraries to embrace innovation and collaboration.

The Illinois Heartland Library System's basic financial statements contained in this report are comprised of three components:

- Government-wide Financial Statements,
- Fund Financial Statements, and
- Notes to the Financial Statements.

Government-Wide Financial Statements

The Government-wide financial statements distinguish functions of IHLS that are principally supported by grants and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The only core service provided with costs recovered through user fees is the Local Library System Automation Program (LLSAP) which is called Sharing Heartland's Available Resources Equally (SHARE). Information regarding the LLSAP is found under the Proprietary Fund – Computer Development Fund sections of the Audit Report.

The first two documents in the audit section titled, *Basic Financial Statements*, contain information that summarizes financial activity for all funds used to support IHLS's programs and projects. Page 14 contains the *Statement of Net Position* which presents information on all IHLS's assets and liabilities as of June 30, 2022. The *Statement of Activities*, found on page 15, reflects the change in Net Position and FY2022 Year End Net Position for all IHLS's programs and activities. All changes in the Net Position are reported in the fiscal year of occurrence, regardless of the timing of 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. grant receivables and accounts payable).

Fund Financial Statements

Financial information for IHLS is reported by fund. Each fund is a separate accounting entity created to segregate specific activities and to ensure and demonstrate compliance with finance-related legal requirements. IHLS has three types of funds – Governmental, Proprietary, and Fiduciary.

There were several governmental funds represented in the FY2022 IHLS financial reports and audit. The *General Fund* contains the financial information for the general administration and operation of IHLS, and the provision of core services (except for automation and bibliographic access).

A *Capital Projects Fund* was established to ensure there are dedicated funds to be used for the purchase and/or replacement of capital items and for major facilities' renovation and repair. The *Capital Projects Fund* may be utilized for operating capital on a loan basis when allocated State funding is delayed.

Special Revenue Funds are grants awarded by ISL for specific projects undertaken by IHLS. In FY2022, IHLS had two *Special Revenue Funds* – *Cataloging Maintenance Center (CMC)*, and *Online Computer Library Center (OCLC) Billing*.

CMC is the more significant grant that provided funding to IHLS. The grant's purpose is to do original or copy cataloging of library materials, bibliographic database cleanup, training and assistance, and metadata consultation for all Illinois libraries and library consortia. IHLS has participated in this project since its inception.

The *OCLC Grant* is represented in the audited financial statements under "*Non-Major Governmental Funds*".

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Proprietary Fund

IHLS has one Proprietary Fund referenced in these audited financial statements. Financial information presented in the *Computer Development Fund* is for the Local Library System Automation Program (LLSAP). IHLS internally refers to their *Computer Development Fund* as *Sharing Heartland Available Resources Equally (SHARE)*. As of June 30, 2022, *SHARE* currently represents 338 agencies (utilizing 467 library buildings). *SHARE* membership fluctuates based on factors such as: new (transitional) members, members' ability to afford membership fees, overall library sustainability, and the consolidation or closure of school libraries. IHLS's LLSAP participates in a single library automation system with a shared database. Staff from these libraries also receive technical and other support as well as training from IHLS.

The basic proprietary fund financial statements can be found on pages 20-22 of this report. The fees collected for this service support out-of-pocket expenditures (including direct staff and their benefits).

Fiduciary Fund (Custodial Funds)

Based on the audited financial statements, IHLS has three *Fiduciary Funds*, *The Online Computer Library Center, Inc. (OCLC) Fund*, *Lewis and Clark Library System 457 Plan*, and *SWAYS (Southwest Advocates For Youth Services)*. For OCLC, IHLS receives transaction information electronically from OCLC and the ISL. IHLS then generates and mails invoices throughout the State of Illinois for ILLINET OCLC services and applies cash receipts. These funds are then held in trust and disbursed to OCLC. For Lewis and Clark Library System 457 Plan, IHLS acts as a fiduciary for funds held in trust for participants that participated in the plan during the timeframe the Lewis and Clark Library System was operational. IHLS acts as a fiduciary for the Southwest Advocates for Youth Services and the monies held are for participants in that activity.

Notes to the Financial Statements

The notes provide additional information and insight that is essential to a full understanding of the data provided. *The Notes to the Financial Statements* can be found on pages 25-43 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning IHLS's budget to actual schedules and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information for the budget to actual schedules and pension obligation can be found on pages 44-50 of this report.

The other supplementary schedules contain combined financial information and budget to actual comparison for Non-Major Funds. Other supplementary information can be found on pages 48-51 of this report.

Government-Wide Financial Analysis

Over time, Net Position may serve as a useful indicator of an entity's financial position. IHLS's Assets exceeded Liabilities by \$13,419,592 at the close FY2022.

The largest portion of the IHLS's Net Position (67%) is Cash and Cash Equivalents which is used as working capital, necessitated because of delays in the receipt of the System Area and Per Capita Funds. These funds are also utilized for capital improvements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The following table (in millions) reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 6.6	\$ 7.0	\$ 2.4	\$ 2.2	\$ 9.0	\$ 9.2
Noncurrent Assets	8.0	5.0	2.8	1.7	10.8	6.7
Total Assets	<u>\$ 14.6</u>	<u>\$ 12.0</u>	<u>\$ 5.2</u>	<u>\$ 3.9</u>	<u>\$ 19.8</u>	<u>\$ 15.9</u>
Deferred Outflows of Resources	<u>\$ 0.7</u>	<u>\$ 1.4</u>	<u>\$ 0.3</u>	<u>\$ 0.6</u>	<u>\$ 1.0</u>	<u>\$ 2.0</u>
Current and Other Liabilities	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.3	\$ 0.2
Long-Term Liabilities	0.3	0.2	0.1	0.1	0.4	0.3
Total Liabilities	<u>\$ 0.5</u>	<u>\$ 0.3</u>	<u>\$ 0.2</u>	<u>\$ 0.2</u>	<u>\$ 0.7</u>	<u>\$ 0.5</u>
Deferred Inflows of Resources	<u>\$ 4.8</u>	<u>\$ 3.9</u>	<u>\$ 2.0</u>	<u>\$ 1.6</u>	<u>\$ 6.8</u>	<u>\$ 5.5</u>
Net Position						
Net Investment in Capital Assets	\$ 1.4	\$ 1.4	\$ 0.1	\$ 0.2	\$ 1.5	\$ 1.6
Restricted	0	0	0	0	0	0
Unrestricted	8.7	7.8	3.2	2.5	11.9	10.3
Total Net Position	<u>\$ 10.1</u>	<u>\$ 9.2</u>	<u>\$ 3.3</u>	<u>\$ 2.7</u>	<u>\$ 13.4</u>	<u>\$ 11.9</u>

Long-Term Liabilities represents the value of earned, but unused vacation accumulated by employees, as well as Net Pension Liability related to participation in the Illinois Municipal Retirement (IMRF) Fund, as of June 30, 2022. Restricted Assets are the remaining fund balances for the Capital Projects, CMC Grant, and OCLC Grant Funds which must be used by those funds only. IHLS has internally set aside committed and reserve funds in its *Computer Development Fund (SHARE)* for the eBooks combined purchases and future capital outlay purchases.

The following table (in millions) is a summary of the Statement of Activities for the years ending June 30, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues						
Charges for Services	\$ 0.3	\$ 0.3	\$ 1.6	\$ 1.6	\$ 1.9	\$ 1.9
Operating Grants and Contr.	4.0	3.9	0.2	0.2	4.2	4.1
General Revenues	0	0	0.5	0.3	0.5	0.3
Internal Activity - Transfers	(0.3)	(0.3)	0.3	0.3	0	0
Total Revenues	<u>\$ 4.0</u>	<u>\$ 3.9</u>	<u>\$ 2.6</u>	<u>\$ 2.4</u>	<u>\$ 6.6</u>	<u>\$ 6.3</u>
Expenses:						
General Library Services	\$ 4.4	\$ 3.3	\$ 0	\$ 0	\$ 4.4	\$ 3.3
Computer Development			1.8	1.8	1.8	1.8
Total Expenses	<u>\$ 4.4</u>	<u>\$ 3.3</u>	<u>\$ 1.8</u>	<u>\$ 1.8</u>	<u>\$ 6.2</u>	<u>\$ 5.1</u>
Change in Net Position	\$ 0.9	\$ 0.6	\$ 0.6	\$ 0.6	\$ 1.5	\$ 1.2
Beginning Net Position	9.2	8.6	2.7	2.1	11.9	10.7
Ending Net Position	<u>\$ 10.1</u>	<u>\$ 9.2</u>	<u>\$ 3.3</u>	<u>\$ 2.7</u>	<u>\$ 13.4</u>	<u>\$ 11.9</u>

This Statement reflects a change in Net Position of \$1,540,640. This is a 21% increase from the prior year. This increase in the current year is attributable to the Actuarial Valuation performed in the System's participation in the

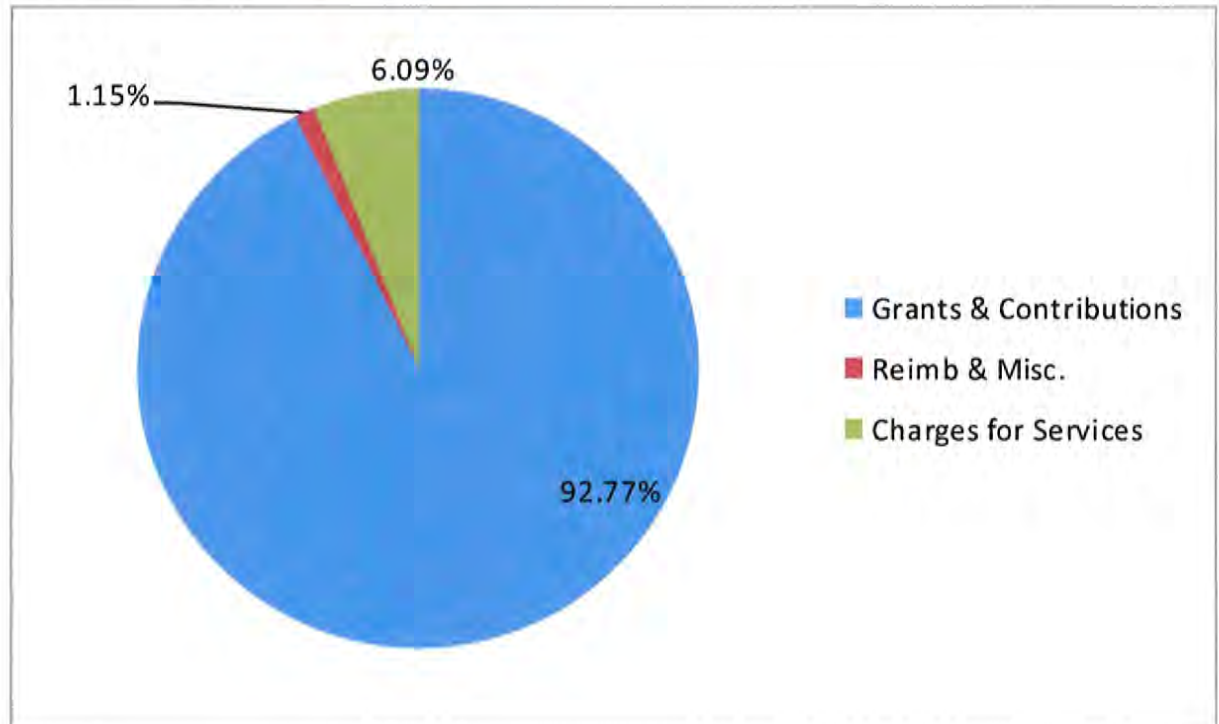
ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Illinois Municipal Retirement Fund. The System recognized current year pension income of \$1,7481,357, compared to pension expense of \$1,271,083 in the prior year.

Revenues by Source

Government Activities

The following pie chart depicts total revenue by percentage. This is a typical distribution of Revenue for a multi-type library system:



Business Type Activities

Based on the audited financial statements, IHLS's business-type activity is the LLSAP, SHARE. As reported on the *Statement of Revenues, Expenses, and Changes in Fund Net Position* (page 21), *Charges for Services* continued to represent most of the *Operating Revenues* (approximately 72%).

Financial Analysis of the Government's Funds

As noted earlier, IHLS uses fund accounting to demonstrate and ensure compliance with finance-related legal and grant requirements. Indicated on page 18, as of June 30, 2022, *IHLS's Governmental Funds* reported a combined ending fund balance of \$6,481,752.

IHLS developed a budget based on the priority areas identified by the ISL and the *FY2022 Goals* contained in the *IHLS Plan of Service*. The budget must be approved by the IHLS's Board of Director and the ISL. IHLS's staff uses the budget to guide the operations throughout the fiscal year. FY2022 budget represents normal funding levels.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

General Fund

The following table compares the budget to actual expenditures for the *General Fund*. IHLS used its approved budget:

	Original Budget	Final Budget	Actual
Revenues:			
Area and Per Capita Grants	\$ 3,400,700	\$ 3,400,700	\$ 3,400,700
Fees for Services and Material	265,218	265,218	261,147
Reimbursements	4,118	4,118	15,694
Investment income	1,763	1,763	11,706
Illinois State Library Grant			25,000
Miscellaneous	29,107	54,107	17,163
Total Revenues	<u>\$ 3,700,906</u>	<u>\$ 3,725,906</u>	<u>\$ 3,731,410</u>
Expenditures:			
Personnel	\$ 2,608,537	\$ 2,608,537	\$ 2,531,482
Other Operating Expenditures	1,297,684	1,322,684	1,039,274
Total Expenditures	<u>\$ 3,906,221</u>	<u>\$ 3,931,221</u>	<u>\$ 3,570,756</u>
Excess of Revenue Over (Under)			
Expenditures	<u>(205,315)</u>	<u>(205,315)</u>	<u>160,654</u>
Other Financing Sources (Uses):			
Transfers In (Out)	\$ (300,000)	\$ (300,000)	\$ (292,935)
Gain on Disposal of Fixed Assets			4,811
Net Change in Fund Balance	<u>\$ (505,315)</u>	<u>\$ (505,315)</u>	<u>\$ (127,470)</u>

In the General Fund, IHLS welcomed two brand new colleagues, a Human Resource Assistant, and a Membership Coordinator School Liaison, in FY2022 and saw adjustments in the work schedules of five others. All these changes had a positive impact on the organization. Five couriers moved from part-time status to full-time status; this was achieved by attrition and not filling open part-time positions in that classification. This conversion achieves a few objectives: an overall savings in direct personnel costs from several to one employee; development of a staff member who is better-versed in organization routines and policies; reduction in administrative tasks related to employee turnover and onboarding; and a decrease in management tasks such as scheduling, performance appraisals and quarterly staff check-ins.

In FY2022, IHLS completed a market benchmarking and compensation structure development project. The appropriate staff placement within ranges was necessary to retain the current staff members that had been improperly placed.

In FY2022, IHLS completed phase two of the Edwardsville remodel, which resulted in additional expenditures of supplies that included furniture and décor for the renovated areas. IHLS was awarded the Road to Recovery Grant for \$25,000 that allowed for additional purchase of supplies and services to protect against the spread of COVID-19. This allowed the staff to work in a cleaner environment and strengthen the message that their health and safety is of critical importance.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Cataloging Maintenance Center (CMC)

In FY2022, the Cataloging Maintenance Center (CMC) project continued its statewide focus on bibliographic database cleanup, cataloging library materials, and training in a variety of formats. The CMC catalogers are supported by a grant from the Illinois State Library (ISL) to provide services that help improve access to the resources in Illinois libraries. The CMC serves libraries in the IHLS service area and across the state

Sharing Heartland's Available Resources Equally (SHARE)

In FY2022, the SHARE consortium was contracted to assist in a cataloging clean-up project for the Consortium of Academic of Research Libraries in Illinois (CARLI). The SHARE fund received revenue of \$165,000 for this project that funded the hiring of three temporary employees along with other needed expenditures.

In FY2022, SHARE completed the implementation of the Solus library mobile application. This provides library patrons with mobile access the ability to place holds, renew items, search digital content, and more.

Capital Projects Fund

Capital Assets for IHLS include purchases of items or services with a minimum per unit cost of \$5,000. Capital Projects in FY2022 included the cost of the renovations at the Champaign and Edwardsville offices. These updates included Live and Learn Construction Grant remodel of the restrooms at the Champaign office making them Americans-with-Disabilities-Act-compliant, creating a Finance and Human Resources department suite, electric and data installation, painting, carpet in the first-floor kitchen, painting in the second-floor kitchen and restrooms, and replacement of an air conditioning unit at the Edwardsville office. Unlike previous years, this was the second year that no funds were transferred to Capital Projects from the General Fund, due to the estimated budget deficit in the General Fund.

Capital Assets

The table below shows the value (in thousands) of IHLS Capital Assets at June 30, 2022 and 2021:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 411.6	\$ 411.6	\$ 0	\$ 0	\$ 411.6	\$ 411.6
Assets in Progress	0	0	0	0	0	0
Buildings & Improvements	878.1	718.0	0	0	878.1	718.0
Equipment & Other	0	1.4	0	0	-	1.4
Furniture & Fixtures	0	0	0	0	0	0
Computers	3.6	10.9	97.0	167.7	100.6	178.6
Vehicles	124.4	227.6	0	0	124.4	227.6
Total Capital Assets	<u>\$ 1,417.8</u>	<u>\$ 1,369.5</u>	<u>\$ 97.0</u>	<u>\$ 167.7</u>	<u>\$ 1,514.8</u>	<u>\$ 1,537.2</u>

Discussions of Currently Known Facts, Decisions, or Conditions

IHLS's FY2022 budget was developed using the modified zero-based budget process. Administrative staff from the system participated in developing the budget. Careful consideration was given to the core service priorities as expressed by the Illinois Secretary of State and the Illinois State Library.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The primary funding source for the *Governmental Activities* is the System Area and Per Capita Grant from the Illinois State Library, which is supported by the Illinois General Revenue, the Live and Learn, and Federal Funds. The federal source of funding is through the Library Services and Technology Act (LSTA). Other revenue sources used for the *Proprietary Activities* include the fees collected to support the operation of the LLSAP, SHARE, which provides services to approximately 338 full member agencies.

FY2014 marked the first completed fiscal year of 300-member libraries sharing a single integrated library system. The SHARE consortium utilizes Polaris Integrated Library Systems for its automation platform. The SHARE membership continues to contribute annually to a reserve fund in anticipation of hardware replacement, technology upgrades, and to have the capital to implement a new software platform if a change in vendor becomes necessary.

A prudent business practices framework will continue to guide policies and financial decisions, providing a more sustainable model. As IHLS moves into FY2023, it will continue to balance staying within the priority areas established by the Illinois State Library, providing quality service based on identified member needs, and remaining fiscally responsible (knowing the financial realities of available funding).

Request for Information

This financial report is designed to provide a general review of the Illinois Heartland Library System for all those with an interest in IHLS's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Illinois Heartland Library System, Edwardsville Office, 6725 Goshen Road, Edwardsville, IL 62025.

ILLINOIS HEARTLAND LIBRARY SYSTEM

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 6,438,613	\$ 2,227,313	\$ 8,665,926
Accounts Receivable	37,240	22,230	59,470
Due from Other Funds	117	0	117
Prepaid Expenses	148,857	161,555	310,412
Total Current Assets	<u>\$ 6,624,827</u>	<u>\$ 2,411,098</u>	<u>\$ 9,035,925</u>
Noncurrent Assets:			
Capital Assets:			
Not Being Depreciated	\$ 411,667		\$ 411,667
Being Depreciated -			
Net of Accumulated Depreciation	1,006,112	\$ 96,951	1,103,063
Right of Use Asset, (Net of Accumulated Amortization)	151,132		151,132
Net Pension Asset	6,422,424	2,682,575	9,104,999
Total Noncurrent Assets	<u>\$ 7,991,335</u>	<u>\$ 2,779,526</u>	<u>\$ 10,770,861</u>
Total Assets	<u>\$ 14,616,162</u>	<u>\$ 5,190,624</u>	<u>\$ 19,806,786</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Contributions	\$ 732,511	\$ 270,529	\$ 1,003,040
Total Deferred Outflows of Resources	<u>\$ 732,511</u>	<u>\$ 270,529</u>	<u>\$ 1,003,040</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 15,348,673</u>	<u>\$ 5,461,153</u>	<u>\$ 20,809,826</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
Current Liabilities:			
Accounts Payable	\$ 30,152	\$ 29,206	\$ 59,358
Due to Other Funds	17	100	117
Accrued Expenses	111,829	33,764	145,593
Unearned Revenue	1,079	1,646	2,725
Total Current Liabilities	<u>\$ 143,077</u>	<u>\$ 64,716</u>	<u>\$ 207,793</u>
Long-Term Liabilities:			
Accrued Compensated Absences	\$ 169,719	\$ 73,734	\$ 243,453
Lease Liability	154,869		154,869
Total Long-Term Liabilities	<u>\$ 324,588</u>	<u>\$ 73,734</u>	<u>\$ 398,322</u>
Total Liabilities	<u>\$ 467,665</u>	<u>\$ 138,450</u>	<u>\$ 606,115</u>
Deferred Inflows of Resources:			
Deferred Inflows of Resources Related to Net Pension Asset	\$ 4,778,180	\$ 2,005,938	\$ 6,784,118
Total Deferred Inflows of Resources	<u>\$ 4,778,180</u>	<u>\$ 2,005,938</u>	<u>\$ 6,784,118</u>
Net Position:			
Net Investment in Capital Assets	\$ 1,417,779	\$ 96,951	\$ 1,514,730
Restricted			
Grant Expenditures	22,852		22,852
Unrestricted	8,662,197	3,219,813	11,882,010
Total Net Position	<u>\$ 10,102,828</u>	<u>\$ 3,316,764</u>	<u>\$ 13,419,592</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 15,348,673</u>	<u>\$ 5,461,153</u>	<u>\$ 20,809,826</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues				Net (Expense)/Revenue And Changes in Net Position - Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>							
Governmental Activities:							
General Library Services	\$ 4,362,868	\$ 261,147	\$ 3,980,910		\$ (120,811)		\$ (120,811)
Business-Type Activities:							
Computer Development	1,912,563	1,700,447	36,881			\$ (175,235)	(175,235)
	<u>\$ 6,275,431</u>	<u>\$ 1,961,594</u>	<u>\$ 4,017,791</u>	<u>\$ 0</u>	<u>\$ (120,811)</u>	<u>\$ (175,235)</u>	<u>\$ (296,046)</u>
General Revenues:							
Reimbursements					\$ 15,694		\$ 15,694
Investment Income					16,138	\$ 2,847	18,985
Miscellaneous					17,398	2,657	20,055
Pension Income					1,218,949	522,408	1,741,357
Gain (Loss) on Sale of Assets					40,595		40,595
Internal Activity - Transfers					(277,696)	277,696	0
Total General Revenues					<u>\$ 1,031,078</u>	<u>\$ 805,608</u>	<u>\$ 1,836,686</u>
Change in Net Position					\$ 910,267	\$ 630,373	\$ 1,540,640
Net Position - Beginning of Year					9,192,561	2,686,391	11,878,952
Net Position - End of Year					<u>\$ 10,102,828</u>	<u>\$ 3,316,764</u>	<u>\$ 13,419,592</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds			Non-Major	Total
	General	CMC	Capital	Governmental	Governmental
	Fund	Grant	Projects	Funds	Funds
		Fund	Fund		
ASSETS:					
Cash and Cash Equivalents	\$ 4,975,226	\$ 42,683	\$ 1,416,930	\$ 3,776	\$ 6,438,615
Due from Other Funds	117				117
Accounts Receivable	37,237				37,237
Prepaid Expenses	144,495	3,352		1,011	148,858
Total Assets	<u>\$ 5,157,075</u>	<u>\$ 46,035</u>	<u>\$ 1,416,930</u>	<u>\$ 4,787</u>	<u>\$ 6,624,827</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 25,441	\$ 3,006		\$ 1,705	\$ 30,152
Due to Other Funds		12		3	15
Accrued Expenses	91,295	16,814		3,720	111,829
Deferred Revenue	1,079				1,079
Total Liabilities	<u>\$ 117,815</u>	<u>\$ 19,832</u>	<u>\$ 0</u>	<u>\$ 5,428</u>	<u>\$ 143,075</u>
Fund Balances:					
Non-Spendable	\$ 144,495	\$ 3,351		\$ 1,011	\$ 148,857
Restricted		22,852			22,852
Assigned			\$ 1,416,930		1,416,930
Unassigned	4,894,765			(1,652)	4,893,113
Total Fund Balances (Deficit)	<u>\$ 5,039,260</u>	<u>\$ 26,203</u>	<u>\$ 1,416,930</u>	<u>\$ (641)</u>	<u>\$ 6,481,752</u>
Total Liabilities and Fund Balances	<u>\$ 5,157,075</u>	<u>\$ 46,035</u>	<u>\$ 1,416,930</u>	<u>\$ 4,787</u>	<u>\$ 6,624,827</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balance, Governmental Funds	\$ 6,481,752
Total net position reported for government activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Those assets consist of	
Land	\$ 411,667
Buildings and Improvements, net of \$1,932,351 accumulated depreciation	878,069
Computers, net of \$1,065,586 accumulated depreciation	3,633
Automobiles, net of \$654,318 accumulated depreciation	<u>124,408</u>
Total	1,417,777
Right of Use Assets (Net of \$75,566 Accumulated Amortization) used in Governmental Activities are not financial resources and therefore are not reported in the funds.	151,132
Net pension asset and related deferrals are not due and payable and/or receivable in the current period, therefore, is not reported in governmental funds	2,376,754
Lease liabilities applicable to the System's Governmental Activities are not due and payable in the current period and accordingly, are not reported as fund liabilities.	(154,869)
Balance of Compensated Absences at June 30, 2022	<u>(169,719)</u>
Total Net Position of Governmental Activities	<u><u>\$ 10,102,828</u></u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Major Fund			Non-Major	Total
	General	CMC	Capital	Governmental	Governmental
	Fund	Grant	Projects	Funds	Funds
	Fund	Fund	Fund		
REVENUES:					
State Grants:					
Area and Per Capita - State Allotment	\$ 2,740,978				\$ 2,740,978
Area and Per Capita - Federal Pass Through	659,722				659,722
Illinois State Library	25,000	\$ 405,697		\$ 149,513	580,210
Fees for Services and Material	261,147				261,147
Reimbursements	15,694				15,694
Investment Income	11,706		\$ 4,432		16,138
Other Revenue	17,163	235			17,398
Total Revenues	<u>\$ 3,731,410</u>	<u>\$ 405,932</u>	<u>\$ 4,432</u>	<u>\$ 149,513</u>	<u>\$ 4,291,287</u>
EXPENDITURES:					
Current:					
General Library Services:					
Personnel Service	\$ 2,524,218	\$ 359,921		\$ 125,617	\$ 3,009,756
Contractual Services	162,997	47,952		20,815	231,764
Supplies and Materials	873,702	4,946		6,690	885,338
Member Library Reimbursement Expense	2,575				2,575
Capital Outlay			\$ 250,169		250,169
Total Expenditures	<u>\$ 3,563,492</u>	<u>\$ 412,819</u>	<u>\$ 250,169</u>	<u>\$ 153,122</u>	<u>\$ 4,379,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 167,918</u>	<u>\$ (6,887)</u>	<u>\$ (245,737)</u>	<u>\$ (3,609)</u>	<u>\$ (88,315)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Out)	\$ (292,935)	\$ 22,304	\$ (7,065)		\$ (277,696)
Gain on Disposal of Fixed Assets	4,811		7,065		11,876
Total Other Financing Sources (Uses)	<u>\$ (288,124)</u>	<u>\$ 22,304</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (265,820)</u>
NET CHANGE IN FUND BALANCE	(120,206)	15,417	(245,737)	(3,609)	(354,135)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>5,159,466</u>	<u>10,786</u>	<u>1,662,667</u>	<u>2,968</u>	<u>6,835,887</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 5,039,260</u>	<u>\$ 26,203</u>	<u>\$ 1,416,930</u>	<u>\$ (641)</u>	<u>\$ 6,481,752</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (354,135)
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Amounts reported for Governmental Activities in the
Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures while Governmental Activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeds depreciation expense in the current period, including gains or losses on disposition of assets.	48,213
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Governmental funds report lease payments as expenditures while governmental activities report amortization expense on Right of Use Assets and interest expense on the lease liability to allocate those expenditures over the term of the lease. This is the amount by which the amortization and interest expense exceeds the lease payments in the current period.	(3,738)
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Changes in compensated absences 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	977
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Changes in net pension asset/liability, deferred outflows and deferred inflows related to pension assets/liabilities are reported only in the Statement of Activities	1,218,950
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 910,267</div>
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The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	<u>Computer Development Fund</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Current Assets:	
Cash and Cash Equivalents	\$ 2,227,313
Accounts Receivable	22,230
Prepaid Expenses	161,555
Total Current Assets	<u>\$ 2,411,098</u>
Noncurrent Assets:	
Capital Assets:	
Depreciable Capital Assets	\$ 3,021,743
Accumulated Depreciation	<u>(2,924,792)</u>
Net Capital Assets	96,951
Net Pension Asset	<u>2,682,575</u>
Total Noncurrent Assets	<u>\$ 2,779,526</u>
Total Assets	<u>\$ 5,190,624</u>
Deferred Outflows of Resources:	
Deferred Outflow from Pension Contribution	\$ 270,529
Total Deferred Outflows of Resources	<u>\$ 270,529</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 5,461,153</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION:	
Current Liabilities:	
Accounts Payable	\$ 29,206
Accrued Expenses	33,764
Due to Other Funds	100
Unearned Revenue	1,646
Total Current Liabilities	<u>\$ 64,716</u>
Long-Term Liabilities:	
Compensated Absences Payable	\$ 73,735
Total Long-Term Liabilities	<u>\$ 73,735</u>
Total Liabilities	<u>\$ 138,451</u>
Deferred Inflows of Resources:	
Deferred Inflows of Resources Related to Net Pension Asset	\$ 2,005,938
Total Deferred Inflows of Resources	<u>\$ 2,005,938</u>
Net Position:	
Net Investment in Capital Assets	\$ 96,951
Unrestricted	3,219,813
Total Net Position	<u>\$ 3,316,764</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 5,461,153</u></u>

The accompanying notes are an integral part of the financial statements

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Computer Development Fund
OPERATING REVENUES:	
Charges for Services	\$ 1,618,032
Grants	36,881
Member Library Reimbursement Revenue	82,415
Pension Income	522,408
Miscellaneous Income	2,657
Total Operating Revenues	<u>\$ 2,262,393</u>
OPERATING EXPENSES:	
Personnel Services	\$ 1,239,413
Contractual Services	291,041
Supplies and Materials	228,897
Member Library Reimbursement Expense	82,415
Depreciation	70,797
Total Operating Expenses	<u>\$ 1,912,563</u>
NET OPERATING INCOME (LOSS)	<u>\$ 349,830</u>
OTHER INCOME (EXPENSE)	
Investment Income	\$ 2,847
Total Other Income (Expense)	<u>\$ 2,847</u>
NET INCOME (LOSS)	\$ 352,677
TRANSFERS IN	<u>277,696</u>
CHANGE IN NET POSITION	\$ 630,373
NET POSITION - BEGINNING OF YEAR	<u>2,686,391</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,316,764</u></u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

Computer
Development Fund

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers	\$ 1,766,518
Receipts from Interfund Services Provided	36,881
Payments to Vendors	(595,852)
Payments to Employees	(1,244,932)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (37,385)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Operating Transfers From (To) Other Funds	\$ 277,696
Decrease in Due from Other Funds	511
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>\$ 278,207</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment Income	<u>\$ 2,847</u>
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NET INCREASE IN CASH 243,669

CASH, BEGINNING OF YEAR 1,983,644

CASH, END OF YEAR \$ 2,227,313

RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:

Net Operating Income (Loss)	\$ 349,830
Adjustment to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	70,797
(Increase) Decrease in Assets:	
Accounts Receivable	40,314
Prepaid Expenses	23,020
Deferred Outflows of Resources	308,382
Increase (Decrease) in Liabilities:	
Accounts Payable	8,200
Deferred Inflows of Resources	358,021
Net Pension Asset/Liability	(1,188,811)
Accrued Expenses	706
Unearned Revenue	80
Compensated Absences Payable	<u>(7,924)</u>

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: \$ (37,385)

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022

	<u>SWAYS -</u> <u>Custodial Fund</u>	Lewis and Clark Library System 457 Plan - <u>Custodial Fund</u>	<u>OCLC -</u> <u>Custodial Fund</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash	<u>\$ 2,089</u>	<u>\$ 249,369</u>	<u>\$ 2,746,904</u>	<u>\$ 2,998,362</u>
LIABILITIES				
Current Liabilities:				
Due To Other Agencies	<u>\$ 1,974</u>	<u>\$ 249,369</u>	<u>\$ 2,746,904</u>	<u>\$ 2,998,247</u>
NET POSITION	<u>\$ 115</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 115</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,089</u>	<u>\$ 249,369</u>	<u>\$ 2,746,904</u>	<u>\$ 2,998,362</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022

	<u>SWAYS - Custodial Fund</u>	<u>Lewis and Clark Library System 457 Plan - Custodial Fund</u>	<u>OCLC - Custodial Fund</u>	<u>Total</u>
REVENUES:				
Total Revenues:	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES:				
Total Expenditures:	\$ 0	\$ 0	\$ 0	\$ 0
NET CHANGE IN POSITION	\$ 0	\$ 0	\$ 0	\$ 0
NET POSITION, BEGINNING OF YEAR	\$ 115	\$ 0	\$ 0	\$ 115
NET POSITION, END OF YEAR	<u>\$ 115</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 115</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Illinois Heartland Library System (the System) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 55, *The Hierarchy of GAAP for State and Local Governments*. The more significant accounting policies established by GAAP and used by the System are discussed below.

A. Financial Reporting Entity

The System was created July 1, 2011 by the merger of four regional library systems in southern and central Illinois. The System provides delivery, and automation (online catalog software) services to the libraries of southern and parts of central Illinois, as well as certain grant program services, such as the Catalog Maintenance Center to libraries throughout Illinois. The System is governed by a 15 member Board of Directors selected from among the System's member organizations.

The definition of what constitutes the entity of the System is based on the guidelines set forth in GASB Statement Number 14, as amended by GASB Statement 61. The primary government of the System consists of the funds presented herein as governmental funds, a proprietary fund, and a fiduciary fund.

According to GASB Statement No. 14, as amended by Statement Number 61, a legally separate organization should be included as a component unit of the primary organization if the primary government is financially accountable for the organization. Financial accountability is determined as follows:

1. The organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or
2. The primary government appoints a voting majority of the organization's governing body and:
 - It is able to impose its will on the organization, or
 - There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government.

Based on the operational and financial criteria noted above, the System does not have a component unit that should be reported as part of the reporting entity.

Related organizations for which the Directors appoint a voting majority of the governing body, but for which the System is not financially accountable, are not included in the reporting entity.

Jointly governed organizations are those for which the System does not have an on-going financial interest or responsibility. Jointly governed organizations are not included in the reporting entity.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the System as a whole. They include all funds of the System, except the fiduciary funds. The Statement of Net Position and the Statement of Activities include the governmental activities and business-type activities. Governmental activities generally are financed through intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Internal balances and activities within the System's funds are eliminated in the government-wide financial statements. Transactions between the governmental and business-type activities are not eliminated.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting (as described in Note 1.c).

Fund Financial Statements

Fund financial statements of the System are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The System's funds are organized into three categories: governmental, proprietary, and fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the System or meets the following criteria:

1. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual fund are at least 5 percent of the corresponding total for all funds combined.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting (as described in Note 1.c.).

The proprietary and fiduciary fund financial statements are reported on the accrual basis of accounting (as described in Note 1.c.).

The fund types of the System are described below:

Governmental Funds

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

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund - The General Fund is the primary operating fund of the System and is always classified as a major fund. It is used to account for all activities except automation and bibliographic access and those activities legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity of the System includes the following special revenue funds:

Major Special Revenue Fund

CMC Grant Fund – Grants from the Illinois State Library finance this fund, which acts as the fiscal agent for the Cataloging Maintenance Center program.

Non-Major Special Revenue Fund

The System's non-major special revenue fund is the OCLC Grant Fund.

Capital Projects Funds – Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by Proprietary Funds. The reporting entity includes one capital projects fund, the Capital Projects Fund, a major governmental fund.

Proprietary Fund

Enterprise Fund – An Enterprise Fund is used to account for business-like activities provided to the general public or outside entities. The measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as a major fund:

Computer Development Fund – Accounts for all activities related to an automated library database system that provides widespread library accessibility services to a system of member libraries.

Fiduciary Funds

Fiduciary funds are used to report assets held by the System in a trustee or custodial capacity for others and therefore cannot be used to support the System's own programs. The System has three fiduciary funds, the OCLC-Custodial Fund, which is used to account for funds held in trust for the ILLINET OCLC, Lewis and Clark Library System 457 Plan – Custodial Fund, which is used to account for funds held in trust for participants that participated in the Lewis and Clark Library System when the organization was still in service, and SWAYS – Custodial Fund, which is used to account for funds from the Southwest Advocates for Youth Services.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

1. Accrual

Governmental activities and business-type activities in the government-wide financial statements and enterprise fund financial statements are presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it becomes 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. The System considers receipts within 60 days of year-end to be available. Expenditures generally are recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when payment is due.

D. Cash and Cash Equivalents

Cash and cash equivalents includes deposits at financial institutions, short-term investments with original maturities at issuance of three months or less, certificates of deposit, and funds held in money market mutual funds at depository banks.

E. Receivables

Receivables are reported at the estimated net realizable amounts from third-party payers and others for services rendered. Receivables are stated at the amount management expects to collect on outstanding balances. The System's allowance for doubtful receivables at June 30, 2022 was \$0.

F. Interfund Balances

Receivables and payables between funds are reported as due from and due to other funds, respectively. Amounts not expected to be repaid within a reasonable time are considered interfund transfers. In governmental funds, amounts due from other funds expected to be repaid within a reasonable time, but beyond one year from June 30, 2022, as well as other long-term receivables are offset by non-spendable fund balance because they do not represent expendable, available financial resources.

G. Prepaid Expenditures/Expenses

Prepaid expenditures/expenses such as for insurance or service contracts are deferred and expensed over the term when the services are received.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets purchased for use in governmental activities are recorded as expenditures in governmental fund financial statements at the time of purchase. Capital assets of governmental activities are reported in the government-wide financial statements offset by accumulated depreciation. Capital assets are valued at actual or estimated historical cost while donated capital assets are valued at their fair market value on the date donated. Capital assets are defined as assets with initial, individual costs over \$5,000 and an estimated useful life in excess of one year.

Depreciation is calculated on all capital assets (other than land, assets that appreciate in value, and impaired capital assets carried at net realizable value) using the straight-line method with the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	10 - 30
Equipment and Other	7
Furniture and Fixtures	8
Computers	5
Vehicles	5

The System has no intangible assets subject to capitalization.

I. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the System's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide and fund financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the government-wide and fund financial statements include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and will be recognized as inflows of resources (revenue) in the year in which they are intended to be available to finance expenditures.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Program Revenues

Program Revenues on the statement of activities include the following:

Governmental Activities

Charges for Services	Fees paid by outside entities for the services provided by the General Fund
----------------------	---

Operating Grants and Contributions	Grants used to support operations
------------------------------------	-----------------------------------

Capital Grants and Contributions	Grants used to purchase equipment, vehicles, and other capital assets
----------------------------------	---

Business-type Activities

Charges for Services	Fees paid by outside entities for the automated library database services
----------------------	---

Operating Grants and Contributions	Grants used to support operations
------------------------------------	-----------------------------------

Capital Grants and Contributions	Grants used to purchase equipment and other capital assets
----------------------------------	--

L. Operating and Non-Operating Revenues and Expenses of the Proprietary Fund

Operating revenues and expenses for the proprietary fund are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

M. Reimbursement Revenue

In the fund financial statements, the System has recorded \$13,592 of Reimbursements Revenue and Contractual Services Expenditures related to the allocation of Administrative and Facilities Costs from the General Fund to certain grant funds, as allowed by the applicable grant agreement. In the government-wide financial statements, this interfund activity has been eliminated.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

It is the System's policy to permit employees to accumulate earned but unused vacation up to a limit of 200 percent of an employee's annual amount of vacation earned. Vacation is accrued using the vesting method. All vacation is accrued when incurred in the government-wide financial statements and the proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

O. Estimates

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

P. New Accounting Pronouncements

Effective July 1, 2021, the System adopted the provisions of GASB Statement No. 87, *Leases*. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 established a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements) and leases with related parties.

NOTE 2. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences and how these balances are reported:

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. The General Fund, CMC Grant Fund, and OCLC Grant Fund had nonspendable funds of \$144,495, \$3,351, and \$1,011, respectively, at fiscal year end June 30, 2022.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or law and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes. The System has several revenue sources received within different funds that fall into these categories:

1. State Grants

Proceeds from state and local grants and the related expenditures have been included in the CMC Grant Fund, Capital Projects Fund, and the OCLC Grant Fund. At June 30, 2022, revenue received exceeded expenditures disbursed from state and local grants in the CMC Grant Fund, resulting in restricted fund balances of \$22,852.

C. Committed Fund Balance

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

The System's Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. There were no committed fund balances for the System as of June 30, 2022.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the System's Board itself or (b) the finance committee, if applicable, to assign amounts to be used for specific purposes. The Capital Projects Fund showed an assigned balance of \$1,416,930, as of June 30, 2022.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund and OCLC Grant Fund showed an unassigned fund balance of \$4,894,765 and (\$1,652), respectively, at fiscal year end June 30, 2022.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2022, are classified in the accompanying financial statements as follows:

Governmental Funds

Cash and Cash Equivalents – Governmental Funds \$ 6,438,616

Proprietary Funds

Cash and Cash Equivalents – Proprietary Funds \$2,227,313

Fiduciary Funds

Cash and Cash Equivalents – Custodial Funds \$ 2,998,362

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the System manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The credit risk of investments is addressed by the System's investment policy by limiting investments to instruments insured by the FDIC, issued by the U.S. Treasury, or the Illinois Funds portfolios overseen by the Treasurer of the State of Illinois. The System has \$7,110,117 deposited into accounts with the Illinois Funds. The investment pool has earned Standard and Poor's highest rating (AAA).

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3. CASH AND CASH EQUIVALENTS (Continued)

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the System's cash or cash equivalents were considered to be uninsured or uncollateralized as of June 30, 2022.

The System's investment in the state investment pool is fully collateralized. The System maintains a separate investment account representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant's account. The balance in the System's state investment pool as of June 30, 2022, was \$7,110,117. The System's investment in the state investment pool is reported at cost which estimate fair value.

NOTE 4. RECEIVABLES

At June 30, 2022, receivables were as follows for the governmental funds and governmental activities:

	<u>Receivables</u>
State Grant	\$ 15,615
Miscellaneous	21,625
Total	<u>\$ 37,240</u>

At June 30, 2022, receivables were as follows for the business-type activities and enterprise fund:

	<u>Receivables</u>
Miscellaneous	\$ 22,230
Total	<u>\$ 22,230</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5. CAPITAL ASSETS

The following is a summary of the changes in capital assets of the governmental activities for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Not Being Depreciated:				
Land	\$ 411,667	\$ 0	\$ 0	\$ 411,667
Subtotal	<u>\$ 411,667</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 411,667</u>
Other Capital Assets:				
Automobiles	\$ 957,424		\$ 178,699	\$ 778,725
Buildings and Improvements	2,560,250	\$ 250,170		2,810,420
Equipment and Other	2,003,721			2,003,721
Furniture and Fixtures	391,590			391,590
Computers	<u>1,069,221</u>	<u> </u>	<u> </u>	<u>1,069,221</u>
Subtotal	<u>\$ 6,982,206</u>	<u>\$ 250,170</u>	<u>\$ 178,699</u>	<u>\$ 7,053,677</u>
Accumulated Depreciation:				
Automobiles	\$ 729,874	\$ 87,886	\$ 163,442	\$ 654,318
Buildings and Improvements	1,842,206	90,145		1,932,351
Equipment and Other	2,002,330	1,390		2,003,720
Furniture and Fixtures	391,590			391,590
Computers	<u>1,058,307</u>	<u>7,279</u>	<u> </u>	<u>1,065,586</u>
Subtotal	<u>\$ 6,024,307</u>	<u>\$ 186,700</u>	<u>\$ 163,442</u>	<u>\$ 6,047,565</u>
Net Other Capital Assets	<u>\$ 957,899</u>	<u>\$ 63,470</u>	<u>\$ 15,257</u>	<u>\$ 1,006,112</u>
Net Capital Assets	<u>\$ 1,369,565</u>	<u>\$ 63,470</u>	<u>\$ 15,257</u>	<u>\$ 1,417,779</u>

Current year depreciation expense was charged to the following function:

General Library Services	<u>\$186,700</u>
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ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5. CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in capital assets of the business-type activities and enterprise fund for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Other Capital Assets:				
Equipment and Other	\$ 1,679,402			\$ 1,679,402
Computers	<u>1,342,341</u>			<u>1,342,341</u>
Subtotal	<u>\$ 3,021,743</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,021,743</u>
Accumulated Depreciation:				
Equipment and Other	\$ 1,623,650			\$ 1,623,650
Computers	<u>1,230,345</u>	<u>\$ 70,797</u>		<u>1,301,142</u>
Subtotal	<u>\$ 2,853,995</u>	<u>\$ 70,797</u>	<u>\$ 0</u>	<u>\$ 2,924,792</u>
Net Capital Assets	<u>\$ 167,748</u>	<u>\$ (70,797)</u>	<u>\$ 0</u>	<u>\$ 96,951</u>

Current year depreciation expense was charged to the following function:

 Computer Development \$70,797

NOTE 6. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in the System's long-term liabilities of the governmental activities for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Current Year Change</u>	<u>June 30, 2022</u>	<u>Due Within One Year</u>
Accrued				
Compensated Absences	<u>\$ 170,698</u>	<u>\$ (979)</u>	<u>\$ 169,719</u>	<u>\$ 0</u>

The following is a summary of changes in the System's long-term liabilities of the business-type activities and enterprise fund for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Current Year Change</u>	<u>June 30, 2022</u>	<u>Due Within One Year</u>
Accrued				
Compensated Absences	<u>\$ 81,658</u>	<u>\$ (7,924)</u>	<u>\$ 73,734</u>	<u>\$ 0</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables at June 30, 2022, are summarized below:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental Funds:		
General Fund	\$ 117	
OCLC Fund		\$ 5
CMC Grant Fund		12
Proprietary Fund:		
Computer Development Fund		100
Total	<u>\$ 117</u>	<u>\$ 117</u>

The amounts due among the funds relate to working capital loans. The amounts due have no specific repayment date scheduled, however, repayment is expected within the next fiscal year.

Interfund transfers made during the year ended June 30, 2022, are summarized below:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund		\$ 292,935
Capital Project Fund		7,065
CMC Grant Fund	\$ 22,304	
Proprietary Fund:		
Computer Development Fund	277,696	
Total	<u>\$ 300,000</u>	<u>\$ 300,000</u>

Transfers are used to utilize unrestricted resources of the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. RISK OF LOSS

Significant losses are covered by commercial insurance for property, liability, and workers compensation. During the year ended June 30, 2022, there were no significant reductions in coverage. There have been no material settlement amounts that have exceeded insurance coverage or that have been uncovered by insurance in the past three years.

NOTE 9. LEASES

The System has a lease with Southern Illinois University-Carbondale for office space rent. The term is for 5 years commencing on July 1, 2019 and ending June 30, 2024. The total costs of the District's Right of Use Assets are recorded as \$226,698, less accumulated amortization of \$75,566, as of June 30, 2022.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9. LEASES (CONTINUED)

This lease has resulted in a lease liability of \$154,869. The annual requirements to retire this lease are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 75,503	\$ 6,029	\$ 81,532
2024	79,366	2,166	81,532
2025	0	0	0
2026	0	0	0
2027	0	0	0
Total	<u>\$ 154,869</u>	<u>\$ 8,195</u>	<u>\$ 163,064</u>

NOTE 10. COMMITMENTS AND CONTINGENCIES

The System participates in a number of state and federally assisted programs. Under the terms of the programs, periodic audits may be required, and certain costs may be questioned as not being appropriate expenditures under the terms of these programs. Such audits could lead to reimbursements to grantor agencies. Based on prior experience, the System believes examinations would not result in any material disallowed costs for grant revenue recorded in these financial statements or from prior years.

NOTE 11. CONCENTRATION OF REVENUE

For the year ended June 30, 2022, 66 percent of the System's revenue was received through grants or allocations from the Illinois Secretary of State's Office through the Illinois State Library.

NOTE 12. RELATED PARTY TRANSACTIONS

The System's Board of Directors is comprised of representatives from its member organizations. Member organizations pay fees to the System for various services. For the year ended June 30, 2022, total charges for services revenue earned from these organizations was \$87,586.

NOTE 13. DEFINED BENEFIT PENSION PLAN

Plan Description. The System'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 System's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual net position, and required supplementary information. That report may be obtained on-line at www.imrf.org.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

1. 3% of the original pension amount, or
2. 1/2 of the increase in the Consumer Price Index of the original pension amount.

At December 31, 2021, the following employees were covered by the Plan:

Active Employees	52
Inactive employees or beneficiaries currently receiving benefits	226
Inactive employees entitled to but not yet receiving benefits	<u>67</u>
Total	<u>345</u>

Contributions. As set by statute, the System's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2021 was 3.73 percent. For the fiscal year ended June 30, 2022, the System contributed \$63,009 to the plan. The System 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.

Net Pension Liability. The System's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method	Entry Age Normal
Assets 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 scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
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Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2021 Illinois Municipal Retirement Fund annual actuarial valuation report.

The long term expected rate of return on 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 Plan investment expenses 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 by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Return 12/31/2021	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	39.00%	24.89%	3.25%	1.90%
International Equities	15.00%	9.78%	4.89%	3.15%
Fixed Income	25.00%	-0.44%	-0.50%	-0.06%
Real Estate	10.00%	21.95%	4.20%	3.30%
Alternatives	10.00%	46%		
Private Equity		N/A	8.85%	5.50%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	2.90%	1.70%
Cash Equivalents	1.00%	2.44%	-0.90%	-0.90%
Total	100.00%			

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the difference between the actuarially determined contribution rates and member rate. The Single Discount Rate reflects:

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

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

Changes in System's Net Pension Liability. Changes in the System's net pension liability for the year ended December 31, 2021, were as follows:

	Total Pension Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2020	\$ 33,713,705	\$ 38,856,004	\$ (5,142,299)
Changes for the year:			
Service Cost	220,516		220,516
Interest	2,363,963		2,363,963
Difference between expected and actual experience	(48,565)		(48,565)
Changes in assumptions			0
Contributions-employees		103,134	(103,134)
Contributions- employer		117,027	(117,027)
Net investment income		6,915,910	(6,915,910)
Benefit payments including refunds of employee Contributions	(2,435,149)	(2,435,149)	0
Other (Net Transfer)		(637,457)	637,457
Net Changes	\$ 100,765	\$ 4,063,465	\$ (3,962,700)
Balance, December 31, 2021	\$ 33,814,470	\$ 42,919,469	\$ (9,104,999)

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.25 percent, as well as, what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.25%	\$ (5,915,616)
Current discount rate	7.25%	(9,104,999)
1% increase	8.25%	(11,750,446)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2022, the System recognized pension income of \$1,676,283. At June 30, 2022, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 5,106
Changes of assumptions		
Net difference between projected and actual earnings on Plan investments	\$ 989,878	6,779,012
Contributions after Measurement Date	13,162	
Total	<u>\$ 1,003,040</u>	<u>\$ 6,784,118</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

	<u>Year ending December 31,</u>
2022	(1,258,950)
2023	(2,256,881)
2024	(1,424,796)
2025	(840,451)
2026	0
Thereafter	0
Total	<u>\$ (5,781,078)</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14. EXCESS OF EXPENDITURES OVER BUDGET

There CMC Grant Fund had expenditures over budget of \$7,122 for the year ended June 30, 2022. This was the only major fund that had excess expenditures over budget or total grant awarded for the fiscal year end June 30, 2022.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS

The System currently offers two post-employment benefits to retirees. Those benefits are 1) continuation of participation in the System's health insurance plan as required by law for a period of 18 months (COBRA coverage) and 2) retiree continuation of health insurance coverage on the System's plan beyond the COBRA period. In relation to both of these benefits, the retiree pays 100% of their own premium cost. As of June 30, 2021, no retirees were covered under COBRA coverage and no retirees were currently participating in the health insurance coverage. There were two employees participating in the dental and vision plan, which the retirees were required to pay 100% of their own premium cost. Due to the limited number of participants in the plan, and the insignificance of the cost incurred by the System, no Other Post Employment Benefit's liability has been recorded as of June 30, 2022.

NOTE 16. PENSION PLAN

In July 2011, the System was created through a merger of four regional library systems in central and southern Illinois. One of the library systems that was a part of the merger, had established a 457(b) retirement plan for its employees. Since the merger, the plan is no longer active and available for new participants, but the plan still exists for the participants that were enrolled prior to the merger. No contributions, by either remaining participants or the System are made to the plan. The System is the Plan Administrator and acts in a fiduciary capacity for the plan; however, they have contracted with a third party to handle the administrative and custodial activities. The assets of the plan are held in trust, (custodial account or annuity contract) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof, for the exclusive benefit of the participants, holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. In accordance with the provisions of GASB Statement 32, plan balances and activities are reflected as a Fiduciary Fund within the System's financial statements.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events on the financial statements through August 30, 2022, which is the date the financial statements were available to be issued.

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>(Actual - Final Budget)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
State Grants:				
Area and Per Capita - State Allotment	\$ 2,740,978	\$ 2,740,978	\$ 2,740,978	
Area and Per Capita - Federal Pass Through	659,722	659,722	659,722	
Fees for Services and Material	265,218	265,218	261,147	\$ (4,071)
Reimbursements	4,118	4,118	15,694	11,576
Investment Income	1,763	1,763	11,706	9,943
Illinois Library Grant			25,000	
Other Revenue	29,107	29,107	17,163	(11,944)
Total Revenues	<u>\$ 3,700,906</u>	<u>\$ 3,700,906</u>	<u>\$ 3,731,410</u>	<u>\$ 5,504</u>
EXPENDITURES:				
Current:				
General Library Services:				
Personnel Service	\$ 2,608,537	\$ 2,608,537	\$ 2,524,218	\$ (84,319)
Contractual Services	312,332	312,332	162,997	(149,335)
Supplies and Materials	985,352	1,010,352	873,702	(136,650)
Member Library Reimbursement Expense			2,575	2,575
Total Expenditures	<u>\$ 3,906,221</u>	<u>\$ 3,931,221</u>	<u>\$ 3,563,492</u>	<u>\$ (367,729)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (205,315)</u>	<u>\$ (230,315)</u>	<u>\$ 167,918</u>	<u>\$ 373,233</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ (300,000)	\$ (300,000)	\$ (292,935)	\$ 7,065
Gain on Disposal of Fixed Assets			4,811	
Total Other Financing Sources (Uses)	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (288,124)</u>	<u>\$ 7,065</u>
NET CHANGE IN FUND BALANCE	<u>\$ (505,315)</u>	<u>\$ (530,315)</u>	<u>\$ (120,206)</u>	<u>\$ 380,298</u>
FUND BALANCE - BEGINNING OF YEAR			<u>5,159,466</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,039,260</u>	

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CMC GRANT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance (Actual - Final Budget)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
State Grants:				
Illinois State Library	\$ 405,697	\$ 405,697	\$ 405,697	\$ 0
Other Revenue			235	235
Total Revenues	<u>\$ 405,697</u>	<u>\$ 405,697</u>	<u>\$ 405,932</u>	<u>\$ 235</u>
EXPENDITURES:				
Current:				
General Library Services:				
Personnel Service	\$ 355,988	\$ 355,988	\$ 359,921	\$ 3,933
Contractual Services	45,537	45,537	47,952	2,415
Supplies and Materials	4,172	4,172	4,946	774
Total Expenditures	<u>\$ 405,697</u>	<u>\$ 405,697</u>	<u>\$ 412,819</u>	<u>\$ 7,122</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			\$ 22,304	\$ 22,304
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,304</u>	<u>\$ 22,304</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	\$ 15,417	<u>\$ (6,887)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>10,786</u>	
FUND BALANCE - END OF YEAR			<u>\$ 26,203</u>	

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance (Actual - Final Budget)
	Original	Final		
REVENUES:				
Investment Income	\$ 2,164	\$ 2,164	\$ 4,432	\$ 2,268
Total Revenues	<u>\$ 2,164</u>	<u>\$ 2,164</u>	<u>\$ 4,432</u>	<u>\$ 2,268</u>
EXPENDITURES:				
Capital Outlay	\$ 238,000	\$ 297,000	\$ 250,169	\$ (46,831)
Total Expenditures	<u>\$ 238,000</u>	<u>\$ 297,000</u>	<u>\$ 250,169</u>	<u>\$ (46,831)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			\$ (7,065)	\$ (7,065)
Gain on Disposal of Fixed Assets			7,065	7,065
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET CHANGE IN FUND BALANCE	<u>\$ (235,836)</u>	<u>\$ (294,836)</u>	<u>\$ (245,737)</u>	<u>\$ (49,099)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>1,662,667</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,416,930</u>	

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Budgets and Budgetary Basis of Accounting:

A. Budgetary Process

1. In accordance with the Illinois Library System Act, Administrative Rules, prior to each May 1, the System's Executive Director submits to the Board of Directors a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and revenues provided to finance them.
2. The proposed budget is discussed at regular meetings of the Board of Directors.
3. Prior to June 1, the Board of Directors formally adopts the budget.
4. The System's Executive Director presents monthly/quarterly reports to the Board of Directors explaining significant variances from the approved budget.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles.
6. The System budgets for all funds through the budget process or through budgets for individual grant awards.
7. The organizational budget lapses at fiscal year end and no revisions may be made after year end.

B. Legal Level of Budgetary Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the budget) is the fund level. The budgetary expenditure comparisons in the basic financial statements are from approved organizational budgets for all funds except for the OCLC Grant, which is derived from the grant budget.

C. Amendments to the Budget

The System's Executive Director is authorized to transfer budgeted amounts within the departments in any fund; however, any revisions that alter the total expenditures of the System must be approved by the Board of Directors.

D. Budgetary Basis of Accounting

Budgets are adopted on essentially the same basis of accounting as the fund financial statements.

E. Encumbrances

Encumbrance accounting is not used by the System.

F. Expenditures Over Budget

The CMC Grant Fund had expenditures over budget of \$7,122 for the year ended June 30, 2022. This was the only major fund that had excess expenditures over budget or total grant awarded for the fiscal year end June 30, 2022.

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2014)									
Calendar year ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service Cost	\$ 220,516	\$ 228,448	\$ 224,615	\$ 179,185	\$ 186,886	\$ 240,821	\$ 208,201	\$ 235,054		
Interest on the Total Pension Liability	2,363,963	2,370,681	2,333,691	2,318,785	2,331,743	2,314,570	2,234,972	2,109,609		
Benefit Changes	0	0	0	0	0	0	0	0		
Difference between Expected and Actual Experience	(48,565)	(37,780)	368,851	337,494	504,869	(214,774)	616,002	139,024		
Assumption Changes	0	(204,627)	0	736,512	(997,797)	0	0	1,138,977		
Benefit Payments and Refunds	(2,435,149)	(2,455,681)	(2,382,045)	(2,263,936)	(2,125,298)	(2,044,060)	(1,984,300)	(1,891,157)		
Net Change in Total Pension Liability	100,765	(98,959)	545,112	1,308,040	(99,597)	296,557	1,074,875	1,731,507		
Total Pension Liability - Beginning	33,713,705	33,812,664	33,267,552	31,959,512	32,059,109	31,762,552	30,687,677	28,956,169		
Total Pension Liability - Ending (a)	\$ 33,814,470	\$ 33,713,705	\$ 33,812,664	\$ 33,267,552	\$ 31,959,512	\$ 32,059,109	\$ 31,762,552	\$ 30,687,676		
Plan Fiduciary Net Position										
Employer Contributions	\$ 103,134	\$ 183,339	\$ 40,470	\$ 177,666	\$ 202,868	\$ 273,509	\$ 325,404	442,904		
Employee Contributions	117,027	110,564	108,703	93,727	84,381	94,367	132,256	91,501		
Pension Plan Net Investment Income	6,915,910	5,435,425	6,374,681	(2,365,486)	5,935,957	2,104,214	152,703	1,819,805		
Benefit Payments and Refunds	(2,435,149)	(2,455,681)	(2,382,045)	(2,263,936)	(2,125,298)	(2,044,060)	(1,984,300)	(1,891,157)		
Other	(637,457)	(340,144)	245,524	889,733	(663,474)	506,944	704,141	329,556		
Net Change in Plan Fiduciary Net Position	4,063,465	2,933,503	4,387,333	(3,468,296)	3,434,434	934,974	(669,796)	792,609		
Plan Fiduciary Net Position - Beginning	38,856,004	35,922,501	31,535,168	35,003,464	31,569,030	30,634,056	31,303,852	30,511,243		
Plan Fiduciary Net Position - Ending (b)	\$ 42,919,469	\$ 38,856,004	\$ 35,922,501	\$ 31,535,168	\$ 35,003,464	\$ 31,569,030	\$ 30,634,056	\$ 31,303,852		
Net Pension Liability/(Asset) -Ending (a)-(b)	(9,104,999)	(5,142,299)	(2,109,837)	1,732,384	(3,043,952)	490,079	1,128,496	(616,176)		
Plan Fiduciary Net Position as a Percentage										
of Total Pension Liability	126.93%	115.25%	106.24%	94.79%	109.52%	98.47%	96.45%	102.01%		
Covered Valuation Payroll	\$ 2,600,594	\$ 2,338,492	\$ 2,269,397	\$ 2,082,826	\$ 1,800,090	\$ 2,018,517	\$ 2,245,715	\$ 1,892,045		
Net Pension Liability as a Percentage										
of Covered Valuation Payroll	(350.11%)	(219.90%)	(92.97%)	83.17%	(169.10%)	24.28%	50.25%	(32.57)%		

Notes to Schedule:

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

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST 10 CALENDAR YEARS

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of</u> <u>Covered</u> <u>Valuation Payroll</u>
2014	\$ 396,383	\$ 442,904	\$ (46,521)	\$ 1,892,045	23.41%
2015	325,404	325,404	0	2,245,715	14.49%
2016	273,509	273,509	0	2,018,517	13.55%
2017	188,289	202,868	(14,579)	1,800,090	11.27%
2018	177,665	177,666	(1)	2,082,826	8.53%
2019	18,609	40,470	(21,861)	2,269,397	1.78%
2020	183,338	183,339	(1)	2,338,492	7.84%
2021	97,002 *	103,134	(6,132)	2,600,594	3.97%

*Estimated based on contribution rate of 7.84% and covered valuation payroll of \$2,338,492. This number should be verified by the auditor.

Notes to Schedule:

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

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2021 CONTRIBUTION RATE

Valuation Date:

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

Methods and Assumptions Used to Determine 2021 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 22-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 17 years for most employers (three employers were financed over 26 years; four employers were financed over 27 years and one employer was financed over 28 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation

ILLINOIS HEARTLAND LIBRARY SYSTEM
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	<u>OC LC Grant</u>	<u>Marc of Quality Grant</u>	<u>Total Non-Major Special Revenue Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,776		\$ 3,776
Due from Other Funds	0		0
Prepaid Expenses	1,011		1,011
Total Assets	<u>\$ 4,787</u>	<u>\$ 0</u>	<u>\$ 4,787</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,705		\$ 1,705
Due to Other Funds	3		3
Accrued Expenses	3,720		3,720
Total Liabilities	<u>\$ 5,428</u>	<u>\$ 0</u>	<u>\$ 5,428</u>
Fund Balances:			
Nonspendable	\$ 1,011		\$ 1,011
Unassigned	(1,652)		(1,652)
Total Fund Balances (Deficit)	<u>\$ (641)</u>	<u>\$ 0</u>	<u>\$ (641)</u>
Total Liabilities and Fund Balances	<u>\$ 4,787</u>	<u>\$ 0</u>	<u>\$ 4,787</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>OCLC Grant</u>	<u>Marc of Quality Grant</u>	<u>Total Non-Major Special Revenue Funds</u>
REVENUES:			
State Grants:			
Illinois State Library	\$ 149,513		\$ 149,513
Total Revenues	<u>\$ 149,513</u>	<u>\$ 0</u>	<u>\$ 149,513</u>
EXPENDITURES:			
General Library Services:			
Personnel Service	\$ 125,617		\$ 125,617
Contractual Services	20,815		20,815
Supplies and Materials	6,690		6,690
Total Expenditures	<u>\$ 153,122</u>	<u>\$ 0</u>	<u>\$ 153,122</u>
NET CHANGE IN FUND BALANCE	\$ (3,609)	\$ 0	\$ (3,609)
FUND BALANCE, BEGINNING OF YEAR	<u>2,968</u>	<u>0</u>	<u>2,968</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u><u>\$ (641)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (641)</u></u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget		
	Original	Final	Actual
REVENUES:			
State Grants:			
Area and Per Capita - State Allotment	\$ 2,740,978	\$ 2,740,978	\$ 2,740,978
Area and Per Capita - Federal Pass Through	659,722	659,722	659,722
Fees for Services and Material	265,218	265,218	261,147
Reimbursements	4,118	4,118	15,694
Investment Income	1,763	1,763	11,706
Illinois State Library Grant		25,000	25,000
Other Revenue	29,107	29,107	17,163
Total Revenues	<u>\$ 3,700,906</u>	<u>\$ 3,725,906</u>	<u>\$ 3,731,410</u>
EXPENDITURES:			
General Library Services:			
Personnel			
Salaries and Wages	\$ 2,068,635	\$ 2,068,635	\$ 2,103,879
Payroll Taxes and Fringe Benefits	517,713	517,713	410,586
Recruiting	4,680	4,680	7,781
Training and Professional Development	17,509	17,509	1,972
Contractual Services			
Contractual Agreements	80,397	80,397	21,587
Travel, Meetings, and Continuing Education for Staff and Board	69,737	69,737	4,637
Professional Services	30,875	30,875	34,222
Liability Insurance	17,949	17,949	18,397
Telephone and Telecommunications	34,768	34,768	25,164
Conferences and Continuing Education Meetings	32,350	32,350	24,983
Consulting	15,000	15,000	10,303
Professional Association Membership Dues	6,707	6,707	7,054
Public Relations	24,549	24,549	16,650
Supplies and Materials			
Computer Supplies	49,900	49,900	37,369
General Office Supplies and Equipment	168,450	175,450	95,902
Postage	1,415	1,415	718
Delivery Supplies	14,375	24,375	15,000
Buildings and Grounds	253,826	259,826	246,370
Vehicle Expenses	481,636	481,636	421,012
Miscellaneous	10,218	12,218	52,040
Equipment Rental, Repair, and Maintenance	5,532	5,532	5,291
Member Library Reimbursement Expense			2,575
Total Expenditures	<u>\$ 3,906,221</u>	<u>\$ 3,931,221</u>	<u>\$ 3,563,492</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (205,315)</u>	<u>\$ (205,315)</u>	<u>\$ 167,918</u>
OTHER FINANCING SOURCES (USES):			
Transfers Out	\$ (300,000)	\$ (300,000)	\$ (292,935)
Gain on Disposal of Fixed Assets			4,811
Total Other Financing Sources (Uses)	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (288,124)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (505,315)</u>	<u>\$ (505,315)</u>	<u>\$ (120,206)</u>
FUND BALANCE - BEGINNING OF YEAR			5,159,466
FUND BALANCE - END OF YEAR			<u>\$ 5,039,260</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CMC GRANT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget		Actual
	Original	Final	
REVENUES:			
State Grants:			
Illinois State Library	\$ 405,697	\$ 405,697	\$ 405,697
Other Revenue			235
Total Revenues	<u>\$ 405,697</u>	<u>\$ 405,697</u>	<u>\$ 405,932</u>
EXPENDITURES:			
General Library Services:			
Personnel	\$ 355,988	\$ 355,988	\$ 359,921
Contractual Services			
Contractual Agreements	40,581	40,581	36,897
Travel, Meetings, and Continuing Education for Staff and Board	1,000	1,000	2,387
Professional Services			3,979
Professional Association Membership Dues	945	945	595
Telephone and Telecommunications	3,011	3,011	2,875
Conferences and Continuing Education Meetings			
Public Relations			1,219
Supplies and Materials			
Computer Supplies	2,400	2,400	2,835
Supplies, Postage and Printing	200	200	391
Vehicle Expenses			203
Equipment Rental, Repair, and Maintenance	1,572	1,572	1,517
Total Expenditures	<u>\$ 405,697</u>	<u>\$ 405,697</u>	<u>\$ 412,819</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	\$ 0	\$ 0	\$ 22,304
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,304</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,417</u>
FUND BALANCE - BEGINNING OF YEAR			<u>10,786</u>
FUND BALANCE - END OF YEAR			<u>\$ 26,203</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
OCLC GRANT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
REVENUES:			
State Grants:			
Illinois State Library	\$ 149,513	\$ 149,513	\$ 149,513
Total Revenues	<u>\$ 149,513</u>	<u>\$ 149,513</u>	<u>\$ 149,513</u>
EXPENDITURES:			
General Library Services:			
Personnel	\$ 123,770	\$ 123,770	\$ 125,617
Contractual Services			
Contractual Agreements	16,702	16,702	13,609
Professional Services	1,475	1,475	4,498
Telephone & Telecommunication	2,841	2,841	2,708
Supplies and Materials			
Computer Supplies			2,998
Equipment Rental, Repair, and Maintenance	3,200	3,200	2,717
Supplies, Postage and Printing	1,525	1,525	975
Total Expenditures	<u>\$ 149,513</u>	<u>\$ 149,513</u>	<u>\$ 153,122</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	\$ (3,609)
FUND BALANCE - BEGINNING OF YEAR			<u>2,968</u>
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (641)</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget		Actual
	Original	Final	
REVENUES:			
Investment Income	\$ 2,164	\$ 2,164	\$ 4,432
Total Revenues	<u>\$ 2,164</u>	<u>\$ 2,164</u>	<u>\$ 4,432</u>
EXPENDITURES:			
Capital Outlay	\$ 238,000	\$ 297,000	\$ 250,169
Total Expenditures	<u>\$ 238,000</u>	<u>\$ 297,000</u>	<u>\$ 250,169</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out			\$ (7,065)
Gain on Disposal of Fixed Assets			7,065
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET CHANGE IN FUND BALANCE	<u>\$ (235,836)</u>	<u>\$ (294,836)</u>	<u>\$ (245,737)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>1,662,667</u>
FUND BALANCE - END OF YEAR			<u>\$ 1,416,930</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

A. SUMMARY OF AUDITOR'S RESULT

Financial Statements

- 1) The auditor's report expresses an unmodified opinion on the basic financial statements of Illinois Heartland Library System.
- 2) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements of Illinois Heartland Library System. This significant deficiency is not considered to be a material weakness. See Finding 2022-1.
- 3) Two issues of noncompliance material to the basic financial statements of Illinois Heartland Library System which would be required to be reported in accordance with *Governmental Auditing Standards* was disclosed during the audit. See compliance findings 2022-2 and 2022-3.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2022-1 – Internal Control over Financial Statements

Statement of Condition – The System does not prepare their own set of annual financial statements in accordance with accounting principles generally accepted in the United States of America.

Criteria – An Organization is considered to have a deficiency when it does not have the personnel or staff with sufficient training or expertise to prepare the System's financial statements and relies on the auditor to assist in the preparation of the annual financial statements.

Effect of Condition – Management may not be able to reasonably determine that a material misstatement exists nor allow them to prevent, detect, nor correct one on a timely basis.

Cause of Condition – The System does not have personnel or staff with sufficient training or expertise to ensure the System's annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Recommendation – The System should consider the costs and benefits of hiring additional expertise or training existing accounting staff to ensure the System's annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Views of Responsible Officials and Planned Corrective Actions – We believe our accounting staff maintains adequate books and records of the System's transactions. Additionally, we do not believe it is cost beneficial to hire additional accounting expertise to ensure the System's annual financial statements are prepared in accordance with accounting standards discussed above.

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Compliance and Other Matters

2022-02

Condition: The System had several individuals who failed to timely file an economic interest state pursuant to the Illinois Government Ethics Act [5 ILCS 420/4A-101]. Out of 36 qualified individuals, 3 had not timely filed by the May 1st deadline.

Recommendation: The System should check with the County to see that all qualifying persons file economic interest statements timely to ensure compliance with the Illinois Government Ethics Act [5 ILCS 420/4A-101].

View of Responsible Officials and Planned Corrective Action: Management has agreed with the recommendation and will have personnel follow up more diligently with the County Clerk in the future to verify that all qualified persons have filed in a timely manner.

2022-03

Condition: As of fiscal year end, the System had one fund (CMC Grant Fund) that had expenditures in excess of its approved budget.

Recommendation: The System should adopt a reasonable budget and amend the budget as necessary in order to stay compliant.

View of Responsible Officials and Planned Corrective Action: Management understands the importance of spending within its legal budgetary authority. The amounts over budget are due to payroll accruals related to employees transitioning from one program to a new program. In the future, management will take these potential adjustments into consideration.

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2021-1 – Internal Control over Financial Statements

Statement of Condition – The System does not prepare their own set of annual financial statements in accordance with accounting principles generally accepted in the United States of America.

Criteria – An Organization is considered to have a deficiency when it does not have the personnel or staff with sufficient training or expertise to prepare the System's financial statements and relies on the auditor to assist in the preparation of the annual financial statements.

Effect of Condition – Management may not be able to reasonably determine that a material misstatement exists nor allow them to prevent, detect, nor correct one on a timely basis.

Cause of Condition – The System does not have personnel or staff with sufficient training or expertise to ensure the System's annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Recommendation – The System should consider the costs and benefits of hiring additional expertise or training existing accounting staff to ensure the System's annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Views of Responsible Officials and Planned Corrective Actions – We believe our accounting staff maintains adequate books and records of the System's transactions. Additionally, we do not believe it is cost beneficial to hire additional accounting expertise to ensure the System's annual financial statements are prepared in accordance with accounting standards discussed above.



Illinois Heartland Library System

August 30, 2022

CORRECTIVE ACTION PLAN

Illinois State Library

The Illinois Heartland Library System respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Scheffel Boyle
322 State Street
Alton, IL 62002

Audit Period: For the Year Ended June 30, 2022

The findings from the June 30, 2022, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS - FINANCIAL STATEMENT AUDIT

Significant Deficiency

2022-1

Condition: Illinois Heartland Library System relies on its auditors for the preparation of the System's financial statements, and related disclosures in accordance with generally accepted accounting principles.

Recommendation: The System should consider the costs and benefits of hiring additional expertise or training accounting staff to ensure the System's financial statements are prepared in accordance with generally accepted accounting principles.

View of Responsible Officials and Planned Corrective Action: Management has considered the recommendation but feels that the accounting staff maintains adequate books and records of the System's transactions. Additionally, management does not believe that it is cost beneficial to hire additional accounting expertise to ensure the System's annual financial are prepared in accordance with generally accepted accounting principles.

IMAGINING TOMORROW ~ DELIVERING POSSIBILITIES TODAY

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www.illinoisheartland.org • 618.656.9401 Fax

Compliance and Other Matters

2022-02

Condition: The System had several individuals who failed to timely file an economic interest state pursuant to the Illinois Government Ethics Act [5 ILCS 420/4A-101]. Out of 36 qualified individuals, 3 had not timely filed by the May 1st deadline.

Recommendation: The System should check with the County to see that all qualifying persons file economic interest statements timely to ensure compliance with the Illinois Government Ethics Act [5 ILCS 420/4A-101].

View of Responsible Officials and Planned Corrective Action: Management has agreed with the recommendation and will have personnel follow up more diligently with the County Clerk in the future to verify that all qualified persons have filed in a timely manner.

2022-03

Condition: As of fiscal year end, the System had one fund (CMC Grant Fund) that had expenditures in excess of its approved budget.

Recommendation: The System should adopt a reasonable budget and amend the budget as necessary in order to stay compliant.

View of Responsible Officials and Planned Corrective Action: Management understands the importance of spending within its legal budgetary authority. The amounts over budget are due to payroll accruals related to employees transitioning from one program to a new program. In the future, management will take these potential adjustments into consideration.

If the Illinois State Library has any questions regarding this plan, contact Leslie Bednar at 618-474-9774.

Sincerely yours,



Leslie M. Bednar, Executive Director



Rhonda Johnisee, Finance Director

Attachment 5.5

Board Bylaws



Article I Name

The name of the organization shall be Illinois Heartland Library System, hereinafter referred to as the System.

Article II Authority

The System derives its authority from the Illinois Library System Act, 75 Illinois Compiled Statutes 10/1 et.seq. as amended (hereinafter called "Statutes"); and operates in accordance with the Administrative Rules of Title 23, Part 3030 of the Illinois Administrative Code (hereinafter called "Administrative Rules") promulgated thereunder.

Article III Purpose/Objectives/Vision & Mission

Section 1. The System is a cooperative multi-type library system serving academic, public, school, and special libraries of central and southern Illinois in the counties of Alexander, Bond, Calhoun, Champaign, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Gallatin, Greene, Hamilton, Hardin, Iroquois, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Macon, Macoupin, Madison, Marion, Massac, Menard, Monroe, Montgomery, Moultrie, Perry, Piatt, Pope, Pulaski, Randolph, Richland, Sangamon, Saline, St. Clair, Shelby, Union, Vermilion, Wabash, Washington, Wayne, Williamson, White, and parts of DeWitt, Logan and Mason and other counties that may be associated with the System in the future.

Section 2. The System envisions a future where all libraries and information partners collaborate to provide accessible and innovative services. (Vision) The System is a community of multi-type libraries developing partnerships and sharing resources in pursuit of excellent service. (Mission)

Section 3. In accordance with its Strategic Plan and its Annual Plan of Service, the System provides services and facilitates cooperation among its member libraries in order to implement the objectives stated in the Statutes and Administrative Rules.

Section 4. To achieve its purpose, the System responsibly utilizes the Area & Per Capita Grant appropriation from the Illinois General Revenue Fund and Live and Learn Fund as disbursed and administered by the Illinois State Library as a department of the Secretary of State's Office. Additionally, the System actively pursues alternative revenue streams and earned income opportunities to fulfill its mission.

Article IV Fiscal Year

The fiscal year of the System shall begin with July 1 and end with June 30.

Article V Membership

Section 1. The Statutes and Administrative Rules of the State of Illinois and the Membership Criteria of the System govern Membership in the System. All academic, public, school and special libraries whose governing authority headquarters are within the geographic boundaries of the System are eligible to apply for membership. Participating libraries will hereinafter be known as Members. Acceptance is subject to the approval of the Board of Directors of the System and the State Librarian and implies agreement by the applying library to applicable State statutes and rules and to the System's Bylaws, policies and Plan of Service. Members agree to comply with policies, rules and regulations required for maintaining Membership.

Section 2. Any Member library may be suspended from Membership if not in compliance with State statutes or System requirements. Members will remain in good standing as long as they meet System and State Membership criteria in compliance with statute 75 ILCS 10/9. Specific information about Suspension can be found in the Administrative Rules (3030.115).

Section 3. Transfer of a Member library to another System shall be governed by the administrative rules of the Illinois State Library.

Section 4. Upon written notice on or before April 1 of any year, a member library governing authority may voluntarily terminate System membership on or before June 30 of the same year (the end of the System's fiscal year) and upon fulfillment of all outstanding obligations to the System.

Article VI Board of Directors

Section 1. The System shall be governed by a Board of Directors of fifteen (15) members. No library shall be represented by more than one Board member. All Board members must be eligible electors in the geographical area of the System. Eligible electors are individuals who are eligible to register to vote within the territory of the System.

Section 2. Duties of Board

The Board of Directors of the System shall have the authority to make such policy to carry out the spirit and intent of The Illinois Library System Act, and shall have the powers conferred by the Act.

Section 3.

The Board of Directors shall be composed of elected members according to the following manner:

- a. Eight (8) members from the governing boards of public library members.
- b. Two (2) members representing public libraries
- c. Three (3) members representing school libraries
- d. One (1) member representing special libraries
- e. One (1) member representing academic libraries

Section 4. Nominating Committee for the Board of Directors.

A Nominating Committee of five (5) members, who shall be eligible electors within the geographic area of the System, shall be appointed by the President of the System Board, with Board approval, in

November of each year. It is the preference of the Board that a minimum of two members from the current Nominating Committee will serve the following year in order to ensure continuity of the process. No currently sitting System Board member may serve on the Nominating Committee and no Nominating Committee Member may be slated for that election to the System Board.

a. The Nominating Committee shall select and confirm candidates for election to the System Board representing all geographic areas. Nominees must be members of a governing board of a member library, professional staff or the administration of the type of library to be represented as set out in these Bylaws. The call for nominations will be appropriately publicized to the Members of the System and any member may propose names for the Nominating Committee's consideration. Additional nominations may be sent to the Nominating Committee upon written petitions of ten (10) member libraries represented by the type of seat on the System Board to be filled. Such petitions, accompanied by written acceptance of the nominee, must be filed with the System Board Secretary who will forward them to the Chair of the Nominating Committee for inclusion on the list of nominees. Criteria for the inclusion or any elimination of names to appear on the ballot will be developed by the Nominating Committee, and this information will be included with the certification results presented to the Board at its May meeting. The determination of the final slate of candidates is the responsibility of the Nominating Committee, with the goal of creating a balanced ballot representative of all System members.

b. The Nominating Committee shall prepare a ballot and certify that all candidates are eligible electors in the geographic area of the System. The ballot will include no more than six (6) eligible candidates for each open seat. Any incumbent board member running for a second term will automatically be awarded a slot on the ballot. In the event that there are no eligible candidates for an open position on the IHLS board, there will be a write-in vote. Any viable write-in candidate will be required to meet all eligibility criteria for the specific board position and must receive a minimum of five (5) affirmative votes in order to win election. The nominating committee must verify the winning candidate. If there is no clear winner from the write-in vote, the president will appoint a new board member.

c. The ballot will be distributed to each member library agency electronically by March 15. A library agency is defined as a library or libraries with a single governing body or corporate authority. For example, a public library with branches would be counted as a single agency as would a school district with libraries in several buildings. Each library will be entitled to return only one ballot for its choice of candidates for the System Board of Directors. Before the vote is cast, each library agency should determine who will be responsible for casting the vote for its agency. The Nominating Committee will accept only the first completed ballot, if multiple votes are cast by the same library agency.

d. Ballots must be completed and submitted by April 15th to be counted. In the event of a tie, a subsequent election to break the tie will be announced no later than April 25th. This ballot will be available electronically for one full week. The Nominating Committee will certify the election results to the System Board of Directors at its May meeting each year.

Section 5. Terms of Office

- a. Except for those Board members who are elected to the Initial System Board in 2011 and who draw either one or two year terms as provided in Section 4d above, and for those board members whose term might be limited by Section 5b below, all Board members will be elected for a term of three (3) years.
- b. No Board member shall be permitted to serve for more than a total of six (6) consecutive years unless two (2) years have elapsed since his/her sixth year of service.
- c. All terms of office shall be staggered, with one-third of the board seats ending each year.
- d. Terms of office begin on July 1 and end on June 30, the System's fiscal year.
- e. Any appointment to the System Board for a partial term is counted as a full year of service at the conclusion of the most current fiscal year.
- f. Prior service in office on the board of directors of any Illinois Library System, shall count toward the statutory maximum of serving a total of no more than six (6) years as a director, unless two years has elapsed since their sixth year of service.

Section 6. Economic Interest

- a. No member of the System Board may profit personally, either directly or indirectly, from any business connected with the System.
- b. Each member of the System Board shall file a Statement of Economic Interest pursuant to the Illinois Governmental Ethics Act.
- c. All records and accounts of the System shall be kept in the System headquarters office and in the custody of the Executive Director. All such records and accounts shall be open to the inspection and use of all members of the System Board at all reasonable times.
- d. The members of the System Board shall serve without compensation, but their actual and necessary expenses shall be paid by the System.

Section 7.

Should a board member no longer be an eligible elector within the geographic area of the System, or leave the local position by virtue of which he/she was eligible, nominated and elected, the seat shall be declared vacant. Vacancies may be filled by appointment by the remaining members of the Board. The appointee shall serve for the unexpired term of the Director replaced. Persons appointed must have the same qualifications as those elected, and represent the constituency of the vacant seat.

Section 8. Officers

- a. The Officers of the Board of Directors shall be a President, Vice-President, Secretary, and Treasurer.
- b. The Board Nominating Committee shall present a slate of candidates to the Board at the first meeting of the fiscal year. Additional nominations may be made from the floor. The Directors shall then vote on the slate of candidates.

- c. The Officers shall be elected for one year, and no Officer shall serve more than two consecutive terms. A term of six months or more shall be considered a full term.
- d. The duties of the Officers shall be:
 - i. The President shall preside at all meetings of the Board, appoint any necessary committees, be an ex officio member of all committees, and be entitled to vote on such committees.
 - ii. The Vice-President shall preside at meetings in the absence of the President, and shall in case of the resignation of the President assume the President's responsibilities until the election of a new President.
 - iii. The Secretary shall have responsibility for the records of the Board of Directors.
 - iv. The Treasurer shall be chairperson of the Finance Committee. Before entering the duties, the Treasurer shall be required to give a bond in an amount to be approved by the Board, but in no case less than the minimum amount specified in the Library System Act.
 - v. Should an office become vacant prior to the expiration of the term of that office, the Directors shall elect from their members an Officer to fill the unexpired term.

Section 9. Attendance of Board members

Board members are expected to fulfill the duties imposed on them by the nature of their office. Board members must notify the System Executive Director if they are unable to attend a board meeting. When a Board member is absent from a meeting, the following actions will be taken. The President shall notify in writing any member missing his or her second meeting. Upon a member's third absence the topic will be included on the agenda for discussion at the next meeting. The System Board, by a majority vote may, with a quorum present, declare a Board position vacant if a Director fails to attend three (3) meetings during the fiscal year.

Section 10. Committees

The President of the Board of Directors shall appoint committees. Membership on standing committees is limited to members of the Board of Directors; excluding the Nominating Committee which is made up of members only. Membership on committees shall be not less than three. Members of the Board of Directors are limited to membership on two standing committees, excluding the Executive Committee. Terms on committees are for one year, or until such time as new appointments are made.

Executive Committee:

The elected officers of the Board of Directors plus one other Board member shall constitute the Executive Committee. A majority of the Executive Committee may authorize payment of bills in the event a meeting cannot be held. The duties of the committee shall be:

- a. To conduct business between regularly scheduled meetings of the Board of Directors
- b. To provide for the annual evaluation of the Executive Director
- c. To review the By-Laws of the System annually

Standing Committees (other than Nominating Committee for the Board of Directors):

- a. Budget and Finance
 - i. The Treasurer shall be the chair of this committee
 - ii. The committee assumes that the Board of Directors as a whole has the responsibility to review and approve the overall budget as submitted by the

Executive Director

- iii. To establish the budget tracking and reporting standards provided by the Chief Fiscal Officer as are appropriate to the needs of the committee
- iv. To monitor System expenditures and income and report significant variances to the Board of Directors*
- v. To review expenses over \$2,500.00 not included in the currently approved budget
- vi. To review quarterly projections provided by the Chief Fiscal Officer
- vii. To review and provide guidance to the Board of Directors on policies or recommendations having potential financial implications
- viii. To review annual audit findings
- ix. To expect the Chief Fiscal Officer to brief the committee on up-coming known issues that will skew the financials in some significant manner
- x. To establish criteria for insurance (board, property, fleet) carriers, review and approve specifications for bids
- xi. To update the salary schedule appropriately based upon information from the Executive Director.

*The committee would not generally expect to be involved in financial matters that are within the parameters of an established budget, other than as a monitor function. Certainly, establishment of policies that impact finances, anything that would suggest the need to expend contingency funds or move funds, is within the realm of Committee purview. It would be our desire to review planned changes before taking them to the Board when changes from the budget are proposed (even if the overall budget for the line will remain unaffected). For example, when creating a new position not initially funded or deciding to add/eliminate a capital project, the Committee would expect to review and comment on such a change to the Board.

b. Facilities and Operations

- i. To review the property needs of the System
- ii. To review that system property fits into the System strategic plan
- iii. To review property leases and purchases
- iv. To review delivery policies

c. Personnel

- i. To review position descriptions and staffing requirements of the System
- ii. To review and update the personnel code of the System

d. Policy and Membership

- i. To review and update the service policies of the System
- ii. To review and evaluate progress in fulfilling the System strategic plan
- iii. To review continued membership eligibility of libraries that are members of the System

e. Nominating Committee for Officers of the Board

- i. To develop a slate of officer candidates from the Directors serving on the board at the beginning of the fiscal year
- ii. Each candidate shall be contacted about their willingness to serve as an officer

- iii. The Slate of Officers shall be voted on at the July meeting of the Board

Ad Hoc Committees

The President may appoint Ad Hoc committees as needed. Members of Ad Hoc committees may also include other personnel associated with the System, but who are not members of the Board of Directors. Ad Hoc committees must include members of the Board, and no library associated with the System can have more than one member on an Ad Hoc committee.

Section 11. Meetings

- a. The Board shall hold a minimum of nine (9) regular monthly meetings per year to conduct the business of the System. The dates, times and locations of the meetings shall be determined at the July meeting. Board agendas shall be posted in accordance with the Illinois Open Meetings Act.
- b. All Board and Committee meetings will be conducted in full compliance with the Open Meetings Act (5 ILCS 120/1 et seq.). All Board, Committee, and sub-committee meetings will be conducted in full compliance with the Open Meetings Act (5 ILCS 120/1 et seq.) and the IHLS Policy on Meetings via Electronics Means.
- c. The President may call special meetings on his/her initiative; the President must call a special board meeting when requested by at least five (5) board members. Notice shall be given 48 hours prior to the date of the meeting and shall state the business to be transacted. The meeting will be limited to the business stated.
- d. A quorum shall be a simple majority of the members of the System Board. With fifteen (15) members, the quorum is eight (8).
- e. Should both the President and Vice-President be absent from any meeting, the Directors present shall choose, from among their number, a temporary, presiding Officer who shall be designated President Pro Tem for that meeting.
- f. A roll call vote shall be taken for the expenditure of funds, execution of a contract, and upon the request of any board member.
- g. Standard Order of Business will comply with the Open Meetings Act.

Article VII Executive Director

The Executive Director shall be the System's Chief Executive Officer and be responsible for the administration of the System. The qualifications of the Executive Director shall include a Master's degree from an American Library Association accredited library education program and who has a minimum of five years postgraduate employment that includes a minimum of two that were in library administrative experience. The Executive Director shall have the authority to hire such other employees as may be necessary, to fix their compensation, and remove such appointees, subject to the approval of the Board. The acts of the Executive Director are subject to the approval of the Board. The Executive Director reports to and is responsible directly to the Board. Performance is evaluated by the Board of

Directors based upon the agency's ability to serve the needs of its membership and achieve the goals of the Board.

Article VIII Advisory Councils

The Executive Director shall form Advisory Councils to serve as an effective liaison between the librarians of the System and the Executive Director. The purpose of the committee is to:

1. Promote System development
2. Provide input and review of changes to System policy and membership criteria
3. Initiate suggestions to the Executive Director and the Board

Members of the Advisory Councils shall serve three-year terms.

Article IX LLSAP Governance Group

The LLSAP membership shall form a governance group that will act as an effective liaison between the LLSAP membership and the IHLS Board of Directors. The purpose of this group is to:

1. Promote membership excellence and involvement.
2. Provide input and review of changes to LLSAP governance documents.
3. Initiate suggestions regarding the LLSAP to the Executive Director and the IHLS Board of Directors.

Members of the LLSAP governance group shall serve according to the guidelines set by the LLSAP governance and its membership.

Article X Parliamentary Authority

All meetings shall be conducted in accordance with Robert's Rules of Order, latest edition, and shall be open to the public in compliance with the "Illinois Open Meetings Act," as amended (ILCS 120/1 et.seq.)

Article XI Amendments and Revisions

Section 1. These By-Laws may be amended by a vote of two-thirds (2/3) of all Board members at a regular Meeting of the Board of Directors of the System provided a written draft of the proposed amendments has been given to each Director at the preceding regular meeting with notice to all member libraries.

Section 2. By-Laws changes can originate from the System Board or from the membership of the System submitted to the System Board.

Section 3. By-Laws changes must be submitted for approval by the State Librarian through the Illinois State Library before they shall become effective.

Approved by Planning Panel on February 26, 2011
Approved by the Illinois Heartland Library System Transition Board on March 29, 2011
Approved by the Illinois Heartland Library System Board of Directors on July 5, 2011
Amended by the Illinois Heartland Library System Board of Directors on August 23, 2011
Amended by the Illinois Heartland Library System Board of Directors on August 28, 2012
Amended by the Illinois Heartland Library System Board of Directors on February 26, 2013
Amended by the Illinois Heartland Library System Board of Directors on July 23, 2013
Amended by the Illinois Heartland Library System Board of Directors on October 22, 2013
Amended by the Illinois Heartland Library System Board of Directors on May 27, 2014
Amended by the Illinois Heartland Library System Board of Directors on October 28, 2014
Amended by the Illinois Heartland Library System Board of Directors on November 25, 2014
Amended by the Illinois Heartland Library System Board of Directors on March 5, 2015
Amended by the Illinois Heartland Library System Board of Directors on July 28, 2015
Amended by the Illinois Heartland Library System Board of Directors on April 26, 2016
Amended by the Illinois Heartland Library System Board of Directors on February 26, 2019

Attachment 7

Delivery Annual Report

FY2022 Multitype Library System Annual Report

7. Delivery Annual Report

In addition to including delivery goals, objectives, and activities in the Annual Report Narrative (1.1), complete Tables 1, 2 and 3 with information specific to the delivery service only.

Tables 1 and 3 include both system and ILDS delivery.

Table 1: Delivery Operating Expenses

Delivery Expenditures	FY2022 System Delivery	FY2022 ILDS
Delivery Personnel		
Library Professionals	\$0.00	\$0.00
Other Professionals	\$232,517.74	\$0.00
Support Services	\$807,428.51	\$114,826.16
Social Security Texas (FICA)	\$77,667.92	\$8,731.19
Unemployment Insurance	\$1,847.04	\$217.57
Workers' Compensation	\$25,835.33	\$4,543.89
Retirement Benefits	\$12,203.36	\$1,818.49
Health, Dental, and Life Insurance	\$76,679.78	\$13,574.80
Temporary Help	\$0.00	\$0.00
Recruiting	\$5,071.14	\$398.00
TOTAL	\$1,239,250.82	\$144,110.10
Delivery Buildings & Grounds		
Rent	\$27,169.92	\$0.00
Utilities	\$18,124.66	\$0.00
Property Insurance	\$11,593.03	\$0.00
Repairs & Maintenance	\$19,527.62	\$0.00
Janitorial Services & Supplies	\$6,598.80	\$0.00
Other	\$7,492.58	\$36.60
TOTAL	\$90,506.61	\$36.60
Delivery Vehicle Expense		
Fuel	\$158,451.46	\$61,063.33
Repairs & Maintenance	\$49,341.81	\$2,499.78
Vehicle Insurance	\$34,692.00	\$4,997.00
Vehicle Leasing & Rent	\$65,766.24	\$9,269.64
TOTAL	\$308,251.51	\$77,829.75
Travel & CE for Delivery Staff		
In-State Travel	\$733.80	\$119.49
Out-of-State Travel	\$0.00	\$0.00
Registration & Other Fees	\$226.06	\$78.95
TOTAL	\$959.86	\$198.44

Delivery Expenditures	Expense Item	FY2022 System Delivery	FY2022 ILDS
Delivery Liability Insurance		\$7,434.59	\$0.00
TOTAL		\$7,434.59	\$0.00

Supplies, Postage & Printing			
Delivery Supplies		\$4,392.01	\$140.20
General Office Supplies & Equipment		\$7,438.80	\$1,412.88
Internal Printing/Photocopying		\$0.00	\$0.00
Postage		\$0.00	\$0.00
Library Supplies		\$0.00	\$0.00
Other		\$617.48	\$0.00
TOTAL		\$12,448.29	\$1,553.08

Delivery Telephone & Telecomm			
Local/Long Distance – Voice		\$13,100.16	\$0.00
Telecomm – Data & Fax		\$2,758.92	\$0.00
TOTAL		\$15,859.08	\$0.00

Delivery Equipment Rental, Repair & Maintenance			
Equipment Rental		\$0.00	\$0.00
Equipment Repair & Maintenance		\$2,445.98	\$0.00
Maintenance Agreement		\$0.00	\$0.00
Computer Hardware Insurance		\$0.00	\$0.00
TOTAL		\$2,445.98	\$0.00

Delivery Professional Services			
Legal		\$0.00	\$0.00
Accounting		\$0.00	\$0.00
Consulting		\$0.00	\$0.00
Contractual Staff		\$0.00	\$0.00
TOTAL		\$0.00	\$0.00

Delivery Contractual Services			
Contractual Agreements with commercial carriers		\$0.00	\$0.00
TOTAL		\$0.00	\$0.00

TOTAL DELIVERY OPERATING EXPENSES		\$1,677,156.74	\$223,727.97
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Table 2: Regional Delivery Statistics

Provide a summary of regional delivery services. Chart regional statistics by routes or hubs including the number of items transported, average number of delivery miles traveled per week, and average number of direct delivery stops per week. Do not include ILDS items that were transported. Report statistical data using methods agreed upon through the work of the statewide Delivery Standardization project.

Delivery Route or Hub	Items Transported	Average Miles/Week	Average Stops/Week
Carbondale	324,140	6,660 avg/week	278 avg/week
Champaign	1,128,942	21,710 avg/week	570 avg/week
Edwardsville	1,097,105	21,098 avg/week	453 avg/week
TOTAL	2,550,187		

Table 3: Delivery Supplemental Statistics as of June 30, 2022

2. 1 All Agencies	Number receiving system-provided delivery	Number receiving outsourced delivery	Total
Public libraries (agencies)	227	0	227
Academic libraries (agencies)	29	0	29
School libraries (agencies)	237	0	237
Special libraries (agencies)	28	0	28
TOTAL	521	0	521

3.3 Community Delivery Partnership (CDP) Agencies	Number participating in CDPs as host	Number participating in CDPs as participant
Public libraries (agencies)	53	1
Academic libraries (agencies)	0	1
School libraries (agencies)	3	100
Special libraries (agencies)	0	0
TOTAL	56	102

3.5 Agency Delivery by Frequency	Number in functional frequency categories. Include all types of delivery
On Demand	0
2 day per week	0
3 day per week	0
4 day per week	0
5 day per week	0
Other	521
TOTAL	521



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