LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

Lake Villa District Library
Connecting People

FOR THE FISCAL YEAR ENDED
JUNE 30, 2026

140 N. Munn Road
Lindenhurst, Illinois 60046
Phone: 847.356.7711
www.lvdl.org

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS 5

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
- Statement of Net Position 15
- Statement of Activities 17

Fund Financial Statements
- Balance Sheet - Governmental Funds 18
- Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities 19
- Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds 20
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities 21

Notes to the Financial Statements 22

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions - Last Ten Fiscal Years
- Illinois Municipal Retirement Fund 42

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
- Illinois Municipal Retirement Fund 43

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
- General Fund 45

Notes to the Required Supplementary Information 46

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
- Bond and Interest Fund - Debt Service Fund 49
- Special Reserve - Capital Projects Fund 50

Combining Balance Sheet - Nonmajor Governmental 51

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
- Nonmajor Governmental 52

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION - Continued

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
- Illinois Municipal Retirement - Special Revenue Fund 53
- Social Security - Special Revenue Fund 54
- Audit - Special Revenue Fund 55
- Site and Building - Capital Projects Fund 56

FINANCIAL SECTION

This section includes:

- Independent Auditor's Report
- Management’s Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the Library’s independent auditing firm.

Lauterbach & Amen
668 N. River Road
Naperville, IL 60563
630.393.1483
lauterbachamen.com

INDEPENDENT AUDITOR'S REPORT

October 28, 2026

Members of the Board of Trustees
Lake Villa Public Library District
Lindenhurst, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Villa Public Library District (the Library), Illinois as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Villa Public Library District, Illinois, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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 Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and supplementary pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Lake Villa Public Library District (the Library), Illinois' financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2026. Please read it in conjunction with the Library's financial statements, which can be found in the basic financial statements section of this report. Questions concerning this report or requests for additional information should be directed to the Library Director, Lake Villa Public Library District, 140 N. Munn Road, Lindenhurst, Illinois 60046.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide statements by providing information about the Library's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Library's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/ deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Library's property tax base and the condition of the Library's infrastructure, is needed to assess the overall health of the Library.

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

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

Fund Financial Statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Library maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Bond and Interest Fund, and Special Reserve Fund, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report.

The Library adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Other Information

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Library uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

ANALYSIS OF THE LIBRARY'S FINANCES

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by $31,797,946.

	Net Position	
	2026	2025
Current and Other Assets	$ 18,216,285	19,582,927
Capital Assets	24,620,111	22,211,471
Other Assets	237,842	—
Total Assets	43,074,238	41,794,398
Deferred Outflows	322,196	612,631
Total Assets and Deferred Outflows	43,396,434	42,407,029
Long-Term Liabilities	5,135,787	5,989,432
Other Liabilities	213,540	367,263
Total Liabilities	5,349,327	6,356,695
Deferred Inflows	6,249,161	5,373,493
Total Liabilities and Deferred Inflows	11,598,488	11,730,188
Net Position		
Net Investment in Capital Assets	19,601,598	16,944,393
Restricted	697,974	456,277
Unrestricted	11,498,374	13,276,171
Total Net Position	31,797,946	30,676,841

A portion of the Library's net position, $19,601,598 or 61.6 percent, reflects its investment in capital assets (for example, buildings, computers, furniture and equipment, library materials, and subscription assets) less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, $697,974 or 2.2 percent, of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining $11,498,374, or 36.2 percent represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

ANALYSIS OF THE LIBRARY'S FINANCES - Continued

	Changes in Net Position	
	2026	2025
Revenues		
Program Revenues		
Charges for Services	$ 4,751	3,571
Operating Grants/Contributions	58,717	59,116
Capital Grants/Contributions	600,000	—
General Revenues		
Property Taxes	5,353,458	5,156,466
Replacement Taxes	20,274	20,727
Investment Income	507,221	734,274
Miscellaneous	98,190	88,567
Total Revenues	6,642,611	6,062,721
Expenses		
Culture and Recreation	5,445,191	5,366,327
Interest on Long-Term Debt	175,495	181,866
Total Expenses	5,620,686	5,548,193
Change in Net Position	1,021,925	514,528
Net Position - Beginning as Previously Reported	30,676,841	30,192,315
Restatement - Error Correction	99,180	(30,002)
Net Position - Beginning as Restated	30,776,021	30,162,313
Net Position - Ending	31,797,946	30,676,841

Net position of the Library's governmental activities increased by 3.3 percent ($31,797,946 in 2026 compared to a restated $30,776,021 in 2025). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled $11,498,374 at June 30, 2026. Revenues for governmental activities totaled $6,642,611, while the cost of all governmental functions totaled $5,620,686. This results in an increase of $1,021,925. In June 30, 2025 revenues of $6,062,721 exceeded expenses of $5,548,193, resulting in an increase. The increase in the current year is primarily due to growth in property tax revenues and the recognition of an OSLAD grant.

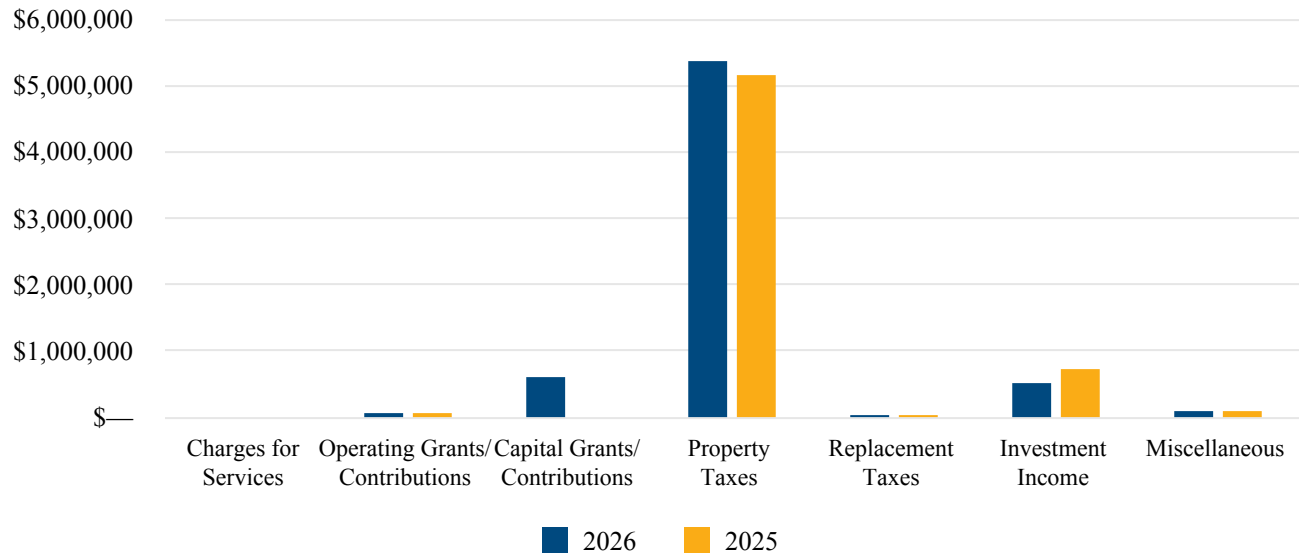
ANALYSIS OF THE LIBRARY'S FINANCES - Continued

Governmental Activity Revenues

The Library's governmental activities reported total revenues of $6,642,611 for the current fiscal year, this represents an increase of $579,890, or 9.56 percent, from the prior year's total amount of $6,062,721. As is typical for activities of local governments, program revenues cover a very small percentage of program expenses, with general revenues covering the majority of expenses. For fiscal year ended June 30, 2026, governmental program expenses of $5,620,686 exceeded program revenues of $663,468 by $4,957,218. General revenues of $5,979,143 made up all the deficiency.

The following table graphically depicts the distribution of revenue sources of the Library's governmental activities for fiscal years ended June 30, 2026 and June 30, 2025. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant amounts the Library receives from other sources.

Comparison of Revenues - Governmental Activities



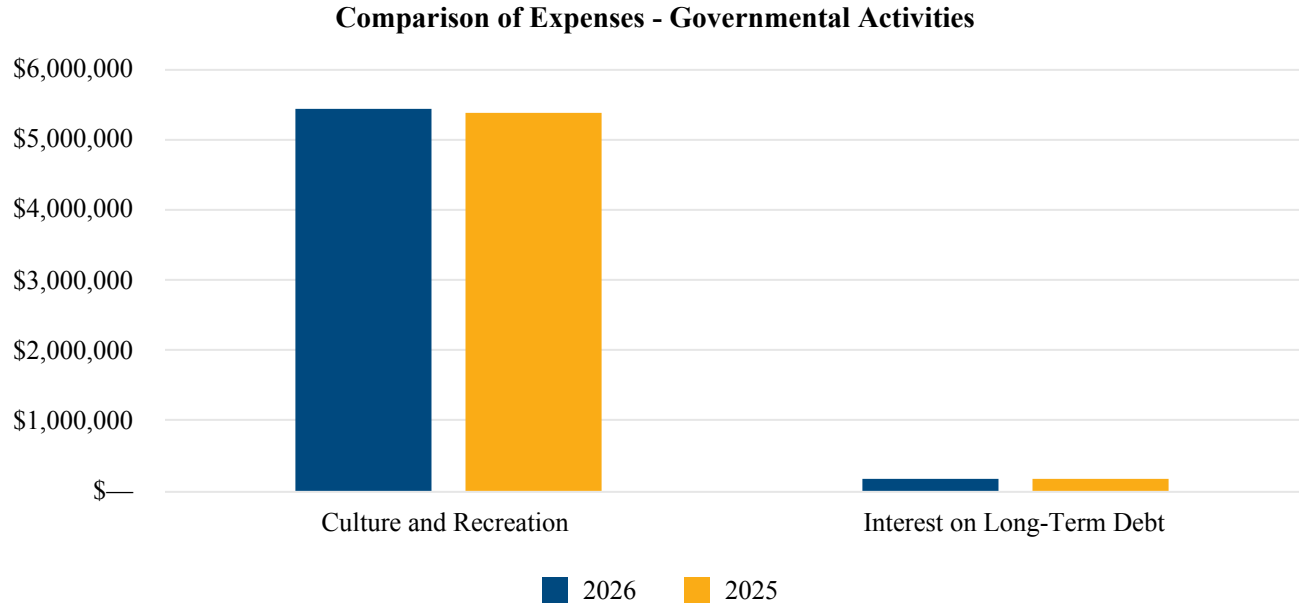
The following provides an overview of the Library's governmental activities' revenues, including any significant changes for the prior year.

The Library realized an increase in property tax revenue due to CPI adjustments and growth in assessed property values. Additionally, the Library received a $600,000 grant from OSLAD to fund capital improvements. These increases were slightly offset by a decrease in investment values.

ANALYSIS OF THE LIBRARY'S FINANCES - Continued

Governmental Activity Expenses

The Library's governmental activities reported total expenses of $5,620,686 for the current fiscal year, this represents an increase of $72,493, or 1.31 percent, from the prior year's total amount of $5,548,193. The following table graphically depicts the expenses of the Library's governmental activities for fiscal years ended June 30, 2026 and June 30, 2025.



The following provides an overview of the Library's governmental activities' expenses, including any significant changes from the prior year:

Expenses increased primarily due to higher staff wages, rising employee health insurance costs, and continued expansion of the Library's digital collections.

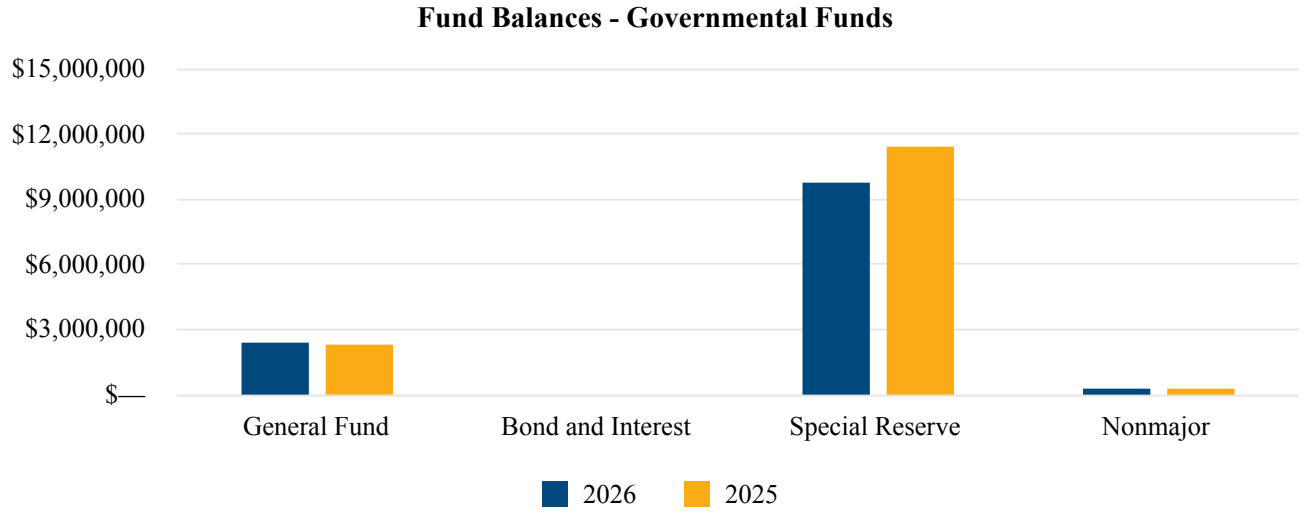
FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS - Continued

The Library's governmental funds reported combining ending fund balances of $12,444,190, which is $1,512,050, or 10.8 percent, lower than last year's restated total of $13,956,240. Of the $12,444,190 total, $2,196,734, or approximately 17.65 percent, of the fund balance constitutes unassigned fund balance.



The General Fund is the chief operating fund of the Library. At June 30, 2026, unassigned fund balance in the General Fund was $2,196,734, which represents 90.84 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 52.39 percent of total General Fund expenditures.

The General Fund concluded the fiscal year with a balance of $2,418,113, reflecting a 6.2 percent increase from the previous year's balance of $2,277,171. This $140,942 increase is due to the recognition of accrued interest and an increase in property taxes resulting from CPI adjustments and growth in assessed property values. Additionally, the General Fund transferred less funds to the Special Reserve Fund in the current year.

The Bond and Interest Fund concluded the fiscal year with a balance of $8,655, reflecting a 52.7 percent increase from the previous year's balance of $5,667. This $2,988 increase is due to the transfer in from the General Fund exceeding debt service payments in the current year.

The Special Reserve Fund concluded the fiscal year with a balance of $9,778,669, reflecting a 14.5 percent decrease from the previous year's restated balance of $11,436,264. This $1,657,595 decrease is due to a significant increase in expenditures related to the Phase II Outdoor Space improvements.

SIGNIFICANT CAPITAL ASSET ACTIVITIES

The Library's investment in capital assets for its governmental activities as of June 30, 2026 was $24,620,111 (net of accumulated depreciation/amortization) which is a 10.84 percent increase from the previous year. During the year, the Library had the following significant capital asset activities:

Outdoor space improvements for Phase II which was funded from the Library's Capital Special Reserves, this project is ongoing in to Fiscal Year 2027.

Additional information on the Library's capital assets can be found in Note 2 of this report.

SIGNIFICANT LONG-TERM FINANCING ACTIVITIES

At year-end, the Library had total outstanding debt of $4,985,000 as compared to $5,140,000 the previous year, a decrease of 3.0 percent. During the year, the Library had the following significant long-term financing activities:

The payments of General Obligation Bonds principal and interest are being made through property taxes received through the General Fund and transferred to the Bond and Interest Fund.

As of June 30, 2026, the Library maintained a rating of AA from INVESCO. This rating has not changed in the past five years. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875 percent of its total assessed valuation. The current debt limit for the Library is $39,826,926.

Additional information on the Library's long-term debt can be found in Note 2 of this report.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Library continues to experience stable economic conditions. Population and residential development have remained consistent with prior years, and the local unemployment rate remains below the statewide average.

The subsequent year budget reflects a modest increase in property tax revenues due to the Library Board voting to increase the Property Tax Levy to address cost increases. Expenditure levels are expected to decrease due to the near completion of Phase II of the Outdoor Improvement Project, with some increased due to inflationary adjustments to personnel costs and contractual services.

Fund balance in the General Fund is expected to remain at a level consistent with the Library's fund balance policy. No significant changes to the Library's long-term debt obligations are anticipated.

Management is not aware of any pending legislation or regulatory changes that are expected to have a significant effect on the Library's financial position or results of operations.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

    Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Net Position
June 30, 2026

See Following Page

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Net Position
June 30, 2026

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	$ 14,672,044
Receivables - Net of Allowances	
Property Taxes	2,832,336
Accrued Interest	111,905
Grants	600,000
Total Current Assets	18,216,285
Noncurrent Assets	
Capital Assets	
Nondepreciable	2,490,608
Depreciable/Amortizable	27,195,632
Accumulated Depreciation/Amortization	(5,066,129)
Total Noncurrent Assets	24,620,111
Other Asset	
Net Pension Asset - IMRF	237,842
Total Assets	43,074,238
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	322,196
Total Assets and Deferred Outflows of Resources	43,396,434

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

	Governmental Activities
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 112,562
Accrued Payroll	86,606
Accrued Interest Payable	14,372
Current Portion of Long-Term Liabilities	195,157
Total Current Liabilities	408,697
Noncurrent Liabilities	
Compensated Absences Payable	120,630
General Obligation Bonds	4,820,000
Total Noncurrent Liabilities	4,940,630
Total Liabilities	5,349,327
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	5,572,927
Deferred Items - IMRF	676,234
Total Deferred Inflows of Resources	6,249,161
Total Liabilities and Deferred Inflows of Resources	11,598,488
NET POSITION	
Net Investment in Capital Assets	19,601,598
Restricted	
Property Tax Levies	
Working Cash	219,139
Public Liability Insurance	2,240
IMRF	68,909
Social Security	46,952
Audit	3,876
Site and Building	119,016
Retirement	237,842
Unrestricted	11,498,374
Total Net Position	31,797,946

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Activities
For the Fiscal Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants/ Contributions	Program Revenues: Capital Grants/ Contributions	Net (Expenses)/ Revenues and Changes in Net Position
Governmental Activities					
Culture and Recreation	$ 5,445,191	4,751	58,717	600,000	(4,781,723)
Interest on Long-Term Debt	175,495	—	—	—	(175,495)
Total Governmental Activities	5,620,686	4,751	58,717	600,000	(4,957,218)
General Revenues					
Taxes					
Property Taxes					5,353,458
Intergovernmental - Unrestricted					
Replacement Taxes					20,274
Investment Income					507,221
Miscellaneous					98,190
					5,979,143
Change in Net Position					1,021,925
Net Position - Beginning as Previously Reported					30,676,841
Restatement - Error Correction					99,180
Net Position - Beginning as Restated					30,776,021
Net Position - Ending					31,797,946

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds
June 30, 2026

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
ASSETS					
Cash and Investments	$ 5,182,749	8,655	9,088,214	392,426	14,672,044
Receivables - Net of Allowances					
Property Taxes	2,723,469	—	—	108,867	2,832,336
Accrued Interest	—	—	111,905	—	111,905
Grants	—	—	600,000	—	600,000
Total Assets	7,906,218	8,655	9,800,119	501,293	18,216,285
LIABILITIES					
Accounts Payable	53,533	—	21,450	37,579	112,562
Accrued Payroll	75,852	—	—	10,754	86,606
Total Liabilities	129,385	—	21,450	48,333	199,168
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	5,358,720	—	—	214,207	5,572,927
Total Liabilities and Deferred Inflows of Resources	5,488,105	—	21,450	262,540	5,772,095
FUND BALANCES					
Restricted	221,379	8,655	—	238,753	468,787
Assigned	—	—	9,778,669	—	9,778,669
Unassigned	2,196,734	—	—	—	2,196,734
Total Fund Balances	2,418,113	8,655	9,778,669	238,753	12,444,190
Total Liabilities, Deferred Inflows of Resources and Fund Balances	7,906,218	8,655	9,800,119	501,293	18,216,285

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities
June 30, 2026

Total Governmental Fund Balances	$	12,444,190
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.		24,620,111
A net pension asset is not considered to represent a financial resources and therefore is not reported in the funds.		
Net Pension Asset - IMRF		237,842
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.		
Deferred Items - IMRF		(354,038)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences Payable		(150,787)
General Obligations Bonds		(4,985,000)
Accrued Interest Payable		(14,372)
Net Position of Governmental Activities		31,797,946

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2026

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
Revenues					
Taxes	$ 5,130,195	—	—	223,263	5,353,458
Intergovernmental	78,991	—	600,000	—	678,991
Fines and Forfeitures	4,751	—	—	—	4,751
Investment Income	22,930	—	484,291	—	507,221
Miscellaneous	19,216	—	78,974	—	98,190
Total Revenues	5,256,083	—	1,163,265	223,263	6,642,611
Expenditures					
Culture and Recreation	4,193,370	—	3,004,181	626,098	7,823,649
Debt Service					
Principal Retirement	—	155,000	—	—	155,000
Interest and Fiscal Charges	—	176,012	—	—	176,012
Total Expenditures	4,193,370	331,012	3,004,181	626,098	8,154,661
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,062,713	(331,012)	(1,840,916)	(402,835)	(1,512,050)
Other Financing Sources (Uses)					
Transfers In	—	334,000	183,321	404,450	921,771
Transfers Out	(921,771)	—	—	—	(921,771)
	(921,771)	334,000	183,321	404,450	—
Net Change in Fund Balances	140,942	2,988	(1,657,595)	1,615	(1,512,050)
Fund Balances - Beginning as Previously Reported	2,277,171	5,667	11,337,084	237,138	13,857,060
Restatement - Error Correction	—	—	99,180	—	99,180
Fund Balances - Beginning as Restated	2,277,171	5,667	11,436,264	237,138	13,956,240
Fund Balances - Ending	2,418,113	8,655	9,778,669	238,753	12,444,190

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2026

Net Change in Fund Balances - Total Governmental Funds	$ (1,512,050)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	3,589,664
Depreciation/Amortization Expense	(1,181,024)
Disposals - Cost	(230,446)
Disposals - Accumulated Depreciation/Amortization	230,446
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(966,669)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences Payable	(19,495)
Change in Net Pension Liability/(Asset) - IMRF	955,982
Retirement of Debt	155,000
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	517
Changes in Net Position of Governmental Activities	1,021,925

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lake Villa Public Library District (the Library) of Illinois is located in Lake Villa, Illinois. The purpose of the Library is to provide and ensure access to materials and services to meet the lifelong learning needs of residents and organizations, as well as to create a welcoming place to gather, exchange ideas and participate in cultural events.

The government-wide financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Library's significant accounting policies are described below.

REPORTING ENTITY

The Library is a municipal corporation governed by an elected president and seven-member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the Library as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds). The Library only reports governmental activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Library's functions (culture and recreation, etc.). The functions are supported by general government revenues (property and replacement taxes, certain intergovernmental revenues, investment income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and replacement taxes, certain intergovernmental revenues, investment income, etc.).

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures. An emphasis is placed on major funds within the governmental category.

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. The Library may electively add funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Library or meets the following criteria:

> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Library:

Governmental Funds

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

General Fund is the general operating fund of the Library. It accounts for all revenues and expenditures of the Library which are not accounted for in other funds. The General Fund is a major fund and includes the Library Account, the Working Cash Account and the Public Library Insurance Account.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Library maintains three nonmajor special revenue funds, which include the Illinois Municipal Retirement Fund, the Social Security Fund, and the Audit Fund.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Bond and Interest Fund is treated as a major fund and is used to account for the proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Library maintains one major capital projects fund, the Special Reserve Fund, which is used to account for capital improvements at the Library. The Library also maintains one nonmajor capital projects fund, the Site and Building Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/ deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the "economic resources" measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION

Cash and Investments

For purpose of the Statement of Net Position, the Library's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized/amortized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation/amortization on all assets is computed and recorded using the straight-line method of depreciation/ amortization over the following estimated useful lives:

Buildings	10 - 45 Years
Computers, Furniture and Equipment	10 - 20 Years
Library Materials	10 Years
Subscription Assets - Software	3 Years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Compensated Absences

The Library's policy allows full time and part time employees to earn varying amounts of sick and vacation pay for each year employed.

Full time and part time employees accrue vacation between one to five weeks. Employees are eligible to accrue vacation based on their length of service with the Library.

Upon separation of employment any unused and accrued vacation is paid out to the employee.

All vacation pay is accrued when incurred in the government-wide 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 and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Net Position

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

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Library's funds.

Permitted Deposits and Investments - Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Deposits. At year-end, the carrying amount of the Library’s deposits totaled $1,404,482 and the bank balances totaled $1,408,076.

Investments. The Library has the following investment fair values and maturities:

			Investment Maturities (in Years)			
Investment Type		Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	$	8,489,244	2,133,746	444,120	500,088	5,411,290
U.S. Agency Securities		4,778,318	—	236,386	1,770,183	2,771,749
		13,267,562	2,133,746	680,506	2,270,271	8,183,039

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

The Library has the following recurring fair value measurements as of year-end:

- U.S. Treasury Securities of $8,489,244 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Securities of $4,778,318 are valued using a matrix pricing model (Level 2 inputs)

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy does not specifically limit the maximum maturity length of investments.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in securities authorized by State statute, the Library's investment policy does not further mitigate credit risk. At year-end, the Library's investments in the U.S. Agency Securities were rated AA+/ Aa1 by Standard & Poor's/Moody's.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy does not mitigate concentration risk. At year-end, the Library does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires that deposit with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the Library. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's investment policy does not specifically mitigate custodial credit risk for investments.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount	
Bond and Interest	General	$ 334,000	(1)
Special Reserve	General	183,321	(2)
Nonmajor Governmental	General	404,450	(3)
		921,771	

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS - Continued

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, (2) use unrestricted revenues collected in the General Fund to finance various capital projects accounted for in other funds in accordance with budgetary authorizations, and (3) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 2,490,608	—	—	2,490,608
Construction in Progress	183,801	—	183,801	—
	2,674,409	—	183,801	2,490,608
Depreciable/Amortizable Capital Assets				
Buildings	19,598,928	3,021,456	—	22,620,384
Computers, Furniture and Equipment	2,208,065	131,422	—	2,339,487
Library Materials	1,823,872	620,587	208,698	2,235,761
Subscription Assets - Software	21,748	—	21,748	—
	23,652,613	3,773,465	230,446	27,195,632
Less Accumulated Depreciation/Amortization				
Buildings	2,160,233	502,675	—	2,662,908
Computers, Furniture and Equipment	1,072,006	227,571	—	1,299,577
Library Materials	865,190	447,152	208,698	1,103,644
Subscription Assets - Software	18,122	3,626	21,748	—
	4,115,551	1,181,024	230,446	5,066,129
Total Net Depreciable/Amortizable Capital Assets	19,537,062	2,592,441	—	22,129,503
Total Net Capital Assets	22,211,471	2,592,441	183,801	24,620,111

Depreciation/amortization expense of $1,181,024 was charged to the culture and recreation function.

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for the 2025 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are collected in two installments in June and September. The County collects such taxes and remits them periodically.

LONG-TERM OBLIGATIONS

General Obligation Bonds

The Library issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Library. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2017, due in annual installments of $120,000 to $330,000 plus interest at 3.00% to 4.00% through June 1, 2047.	$ 5,140,000	—	155,000	4,985,000

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	$ 131,292	19,495	—	150,787	30,157
Net Pension Liability/(Asset) - IMRF	718,140	—	955,982	(237,842)	—
General Obligation Bonds	5,140,000	—	155,000	4,985,000	165,000
	5,989,432	19,495	1,110,982	4,897,945	195,157

Payments on the net pension liability/(asset) are generally made by the General Fund. Payments on the general obligation bonds are made by the Bond and Interest Fund. Compensated absences are reported as the net change amount for the fiscal year.

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2027	$ 165,000	169,162
2028	170,000	162,462
2029	180,000	156,362
2030	185,000	150,887
2031	190,000	145,262
2032	195,000	139,487
2033	200,000	133,312
2034	210,000	126,650
2035	215,000	119,744
2036	225,000	112,453
2037	235,000	104,691
2038	240,000	96,676
2039	245,000	88,338
2040	255,000	79,588
2041	265,000	70,488
2042	275,000	61,038
2043	285,000	51,238
2044	295,000	40,793
2045	305,000	29,693
2046	320,000	18,130
2047	330,000	6,105
	4,985,000	2,062,559

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "…no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2025	$ 1,385,284,388
Legal Debt Limit - 2.875% of Equalized Assessed Value	39,826,926
Amount of Debt Applicable to Limit	
General Obligation Bonds	4,985,000
Legal Debt Margin	39,826,926

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2026:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 24,620,111
Less Capital Related Debt:	
Capital Related Accounts Payable	(33,513)
General Obligation Bonds	(4,985,000)
Net Investment in Capital Assets	19,601,598

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Library's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Library's policy manual states that the General Fund should represent a minimum fund balance of no less than three months and no more than six months of operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to other funds at the discretion of the Board.

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
Fund Balances					
Restricted					
Working Cash	$ 219,139	—	—	—	219,139
Public Liability Insurance	2,240	—	—	—	2,240
IMRF	—	—	—	68,909	68,909
Social Security	—	—	—	46,952	46,952
Audit	—	—	—	3,876	3,876
Site and Building	—	—	—	119,016	119,016
Debt Service	—	8,655	—	—	8,655
	221,379	8,655	—	238,753	468,787
Assigned					
Other Purposes	—	—	9,778,669	—	9,778,669
Unassigned	2,196,734	—	—	—	2,196,734
Total Fund Balances	2,418,113	8,655	9,778,669	238,753	12,444,190

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

REPORTING UNITS AFFECTED BY RESTATEMENTS OF BEGINNING BALANCES

Error Correction. In the previous year, the Library failed to report accrued interest. This error understated the fund balance of the Special Reserve Fund and the net position of governmental activities in the government-wide statements.

	Governmental Activities	Special Reserve
Beginning Net Position/Fund Balance as Previously Reported	$ 30,676,841	11,337,084
Error Corrections Accrued Interest	99,180	99,180
Beginning Net Position/Fund Balance as Restated	30,776,021	11,436,264

NOTE 3 - OTHER INFORMATION

RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Library's employees. These risks are provided for through insurance from private insurance companies. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Library expects such amounts, if any, to be immaterial.

Litigation

From time to time, the Library is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Library attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Library 's financial position or results of operations.

NOTE 3 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Library contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF). IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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:

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

NOTE 3 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	44
Inactive Plan Members Entitled to but not yet Receiving Benefits	24
Active Plan Members	43
Total	111

Contributions. As set by statute, the Library's Regular Plan Members are required to contribute 4.50% 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. For the year-ended June 30, 2026, the Library's contribution was 8.46% of covered payroll.

Net Pension (Asset). The Library's net pension (asset) was measured as of December 31, 2025. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2025, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

NOTE 3 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.00%	4.75%
Domestic Equities	32.50%	7.35%
International Equities	18.00%	7.45%
Real Estate	10.50%	6.25%
Blended	14.00%	3.90% - 8.50%
Cash and Cash Equivalents	1.00%	3.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Library contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) to changes in the discount rate. The table below presents the net pension (asset) of the Library calculated using the discount rate as well as what the Library's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	$ 1,172,164	(237,842)	(1,408,191)

NOTE 3 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2024	$ 12,385,813	11,667,673	718,140
Changes for the Year:			
Service Cost	214,559	—	214,559
Interest on the Total Pension Liability	880,469	—	880,469
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	161,521	—	161,521
Changes of Assumptions	—	—	—
Contributions - Employer	—	194,779	(194,779)
Contributions - Employees	—	104,971	(104,971)
Net Investment Income	—	1,859,269	(1,859,269)
Benefit Payments, Including Refunds of Employee Contributions	(697,391)	(697,391)	—
Other (Net Transfer)	—	53,512	(53,512)
Net Changes	559,158	1,515,140	(955,982)
Balances at December 31, 2025	12,944,971	13,182,813	(237,842)

NOTE 3 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended June 30, 2026, the Library recognized pension expense of $214,171. At June 30, 2026, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 220,262	—	220,262
Change in Assumptions	650	—	650
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(676,234)	(676,234)
Total Pension Expense to be Recognized in Future Periods	220,912	(676,234)	(455,322)
Pension Contributions Made Subsequent to the Measurement Date	101,284	—	101,284
Total Deferred Amounts Related to IMRF	322,196	(676,234)	(354,038)

$101,284 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2027. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2027	$ 291,941
2028	(282,168)
2029	(259,926)
2030	(205,169)
2031	—
Thereafter	—
Total	(455,322)

NOTE 3 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Library are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additionally, the Library provides no explicit benefit. Therefore, the Library has not recorded a liability as of June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions - Last Ten Fiscal Years
  Illinois Municipal Retirement Fund

- Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
  Illinois Municipal Retirement Fund

- Budgetary Comparison Schedules
  General Fund

- Notes to the Required Supplementary Information

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund
Schedule Employer Contributions - Last Ten Fiscal Years
June 30, 2026

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ 150,325	$ 150,325	$ —	$ 1,551,343	9.69%
2018	153,709	153,709	—	1,535,689	10.01%
2019	129,641	129,641	—	1,506,746	8.60%
2020	152,039	152,039	—	1,645,461	9.24%
2021	189,148	189,148	—	1,755,267	10.78%
2022	178,345	178,345	—	1,831,001	9.74%
2023	161,815	161,815	—	1,996,070	8.11%
2024	161,500	161,500	—	2,130,600	7.58%
2025	184,437	184,437	—	2,254,491	8.18%
2026	203,484	203,484	—	2,405,026	8.46%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, 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 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
June 30, 2026

	12/31/2016	12/31/2017	12/31/2018
Total Pension Liability			
Service Cost	$ 172,179	173,730	159,321
Interest	572,763	602,930	614,353
Differences Between Expected and Actual Experience	(55,725)	(25,420)	405,725
Change of Assumptions	(19,225)	(234,250)	247,525
Benefit Payments, Including Refunds of Member Contributions	(269,041)	(308,872)	(406,080)
Net Change in Total Pension Liability	400,951	208,118	1,020,844
Total Pension Liability - Beginning	7,705,686	8,106,637	8,314,755
Total Pension Liability - Ending	8,106,637	8,314,755	9,335,599
Plan Fiduciary Net Position			
Contributions - Employer	$ 150,325	157,362	147,409
Contributions - Members	69,810	69,561	67,481
Net Investment Income	482,770	1,327,878	(508,114)
Benefit Payments, Including Refunds of Member Contributions	(269,041)	(308,872)	(406,080)
Other (Net Transfer)	33,137	(112,543)	194,255
Net Change in Plan Fiduciary Net Position	467,001	1,133,386	(505,049)
Plan Net Position - Beginning	7,027,140	7,494,141	8,627,527
Plan Net Position - Ending	7,494,141	8,627,527	8,122,478
Employer's Net Pension Liability/(Asset)	$ 612,496	(312,772)	1,213,121
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.44%	103.76%	87.01%
Covered Payroll	$ 1,551,343	1,545,791	1,499,579
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	39.48%	(20.23%)	80.90%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2016 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017 and 2023.

12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
165,073	182,792	170,910	187,314	200,738	206,444	214,559
665,899	697,406	729,117	770,112	800,105	841,407	880,469
106,094	201,650	268,617	77,892	216,889	176,249	161,521
—	(63,194)	—	—	4,010	—	—
(466,655)	(556,019)	(594,629)	(628,165)	(628,497)	(681,345)	(697,391)
470,411	462,635	574,015	407,153	593,245	542,755	559,158
9,335,599	9,806,010	10,268,645	10,842,660	11,249,813	11,843,058	12,385,813
9,806,010	10,268,645	10,842,660	11,249,813	11,843,058	12,385,813	12,944,971
120,551	191,230	185,235	171,485	151,124	175,799	194,779
73,407	75,140	79,236	85,934	93,672	98,764	104,971
1,587,234	1,348,517	1,855,702	(1,679,701)	1,132,933	1,116,125	1,859,269
(466,655)	(556,019)	(594,629)	(628,165)	(628,497)	(681,345)	(697,391)
(35,159)	147,365	20,943	(98,613)	289,671	(86,089)	53,512
1,279,378	1,206,233	1,546,487	(2,149,060)	1,038,903	623,254	1,515,140
8,122,478	9,401,856	10,608,089	12,154,576	10,005,516	11,044,419	11,667,673
9,401,856	10,608,089	12,154,576	10,005,516	11,044,419	11,667,673	13,182,813
404,154	(339,444)	(1,311,916)	1,244,297	798,639	718,140	(237,842)
95.88%	103.31%	112.10%	88.94%	93.26%	94.20%	101.84%
1,631,267	1,669,757	1,760,787	1,909,623	2,081,600	2,194,746	2,332,678
24.78%	(20.33%)	(74.51%)	65.16%	38.37%	32.72%	(10.20%)

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Final with Original	Actual Amounts	Variance Actual with Final
Revenues					
Taxes					
Property Taxes	$ 5,121,708	5,121,708	—	5,130,195	8,487
Intergovernmental					
Replacement Taxes	21,000	21,000	—	20,274	(726)
Grants	59,116	59,116	—	58,717	(399)
Fines and Forfeitures	11,000	11,000	—	4,751	(6,249)
Investment Income	—	—	—	22,930	22,930
Miscellaneous	20,500	20,500	—	19,216	(1,284)
Total Revenues	5,233,324	5,233,324	—	5,256,083	22,759
Expenditures					
Culture and Recreation					
Personnel	3,019,200	3,019,200	—	2,983,629	(35,571)
Contractual Services	475,658	475,658	—	439,740	(35,918)
Library Materials	656,700	656,700	—	620,587	(36,113)
Operations	219,700	219,700	—	149,414	(70,286)
Total Expenditures	4,371,258	4,371,258	—	4,193,370	(177,888)
Excess (Deficiency) of Revenues Over (Under) Expenditures	862,066	862,066	—	1,062,713	200,647
Other Financing (Uses)					
Transfers Out	(884,202)	(884,202)	—	(921,771)	(37,569)
Net Change in Fund Balance	(22,136)	(22,136)	—	140,942	163,078
Fund Balance - Beginning				2,277,171	
Fund Balance - Ending				2,418,113	

BUDGETARY INFORMATION

The Library establishes the budgetary data reflected in the financial statements by the passage of a combined budget and appropriation and levy ordinance prior to the statutory deadline. The amounts presented in the statements reflect the budgeted amounts. Expenditures for any fund should not exceed the amount appropriated for the fund.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund		Excess
Illinois Municipal Retirement	$	3,483
Site and Building		5,362

ANALYSIS OF VARIANCES BETWEEN ACTUAL AMOUNTS AND FINAL BUDGET

The following section summarizes significant variances between final budget amounts and actual results for key funds. More detailed budgetary comparison schedules, as well as information for other funds not presented here, can be found in the other supplementary information sections of this report.

General Fund

The General Fund's revenues totaled $5,256,083 compared to budgeted revenues of $5,233,324, resulting in a difference of $22,759 or less than one percent above budget. This increase is due to interest income from the Library’s checking account which was not budgeted this fiscal year.

The General Fund's expenditures totaled $4,193,370 compared to budgeted expenditures of $4,371,258, resulting in a difference of $177,888 or 4.1 percent below budget. Library expenditures were $177,888 less than budgeted due to lower than anticipated spending in several areas. Information technology expenditures were lower as consulting services were needed less frequently than anticipated. Other consulting expenses were reduced following the decision to conduct the Library's strategic planning process internally rather than hire outside consultants. Continuing education expenses were lower as increasingly available, less expensive online training opportunities reduced the need for more costly multiday conferences. Expenditures for Library physical materials were lower due to supply chain disruptions resulting from the closure of longtime supplier Baker & Taylor. Equipment, furniture, and supply expenditures were also below budget as certain anticipated purchases were not necessary. Utility expenditures were lower due to overestimations of electricity, natural gas, and water usage associated with construction activities, as actual consumption was less than anticipated.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Illinois Municipal Retirement Fund

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

Social Security Fund

The Social Security Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for payment of the employer's portion of Federal Social Security and Medicare taxes.

Audit Fund

The Audit Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the annual audit of the Library.

DEBT SERVICE FUND

Bond and Interest Fund

The Bond and Interest Fund is used to account for proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

Special Reserve Fund

The Special Reserve Fund is used to account for capital improvements at the Library.

Site and Building Fund

The Site and Building Fund is used to account for maintenance costs on the Library's facility.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Bond and Interest - Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Final with Original	Actual Amounts	Variance Actual with Final
Revenues					
Investment Income	$ —	—	—	—	—
Expenditures					
Debt Service					
Principal Retirement	155,000	155,000	—	155,000	—
Interest and Fiscal Charges	179,000	179,000	—	176,012	(2,988)
Total Expenditures	334,000	334,000	—	331,012	(2,988)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(334,000)	(334,000)	—	(331,012)	2,988
Other Financing Sources					
Transfers In	334,000	334,000	—	334,000	—
Net Change in Fund Balance	—	—	—	2,988	2,988
Fund Balance - Beginning				5,667	
Fund Balance - Ending				8,655	

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Special Reserve - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Final with Original	Actual Amounts	Variance Actual with Final
Revenues					
Intergovernmental					
Grants	$ —	—	—	600,000	600,000
Investment Income	—	—	—	484,291	484,291
Miscellaneous	4,000	4,000	—	78,974	74,974
Total Revenues	4,000	4,000	—	1,163,265	1,159,265
Expenditures					
Culture and Recreation					
Operations	3,330,000	3,330,000	—	3,004,181	(325,819)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,326,000)	(3,326,000)	—	(1,840,916)	1,485,084
Other Financing Sources					
Transfers In	145,752	145,752	—	183,321	37,569
Net Change in Fund Balance	(3,180,248)	(3,180,248)	—	(1,657,595)	1,522,653
Fund Balance - Beginning as Previously Reported				11,337,084	
Restatement - Error Correction				99,180	
Fund Balance - Beginning as Restated				11,436,264	
Fund Balance - Ending				9,778,669	

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental
Combining Balance Sheet
June 30, 2026

	Special Revenue			Capital Projects	
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	Totals
ASSETS					
Cash and Investments	$ 100,653	51,478	3,876	236,419	392,426
Receivables - Net of Allowances					
Property Taxes	—	—	—	108,867	108,867
Total Assets	100,653	51,478	3,876	345,286	501,293
LIABILITIES					
Accounts Payable	25,516	—	—	12,063	37,579
Accrued Payroll	6,228	4,526	—	—	10,754
Total Liabilities	31,744	4,526	—	12,063	48,333
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	—	—	—	214,207	214,207
Total Liabilities and Deferred Inflows of Resources	31,744	4,526	—	226,270	262,540
FUND BALANCES					
Restricted	68,909	46,952	3,876	119,016	238,753
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	100,653	51,478	3,876	345,286	501,293

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2026

	Special Revenue			Capital Projects	
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	Totals
Revenues					
Taxes	$ —	—	—	223,263	223,263
Expenditures					
Culture and Recreation	203,483	203,873	9,450	209,292	626,098
Excess (Deficiency) of Revenues Over (Under) Expenditures	(203,483)	(203,873)	(9,450)	13,971	(402,835)
Other Financing Sources					
Transfers In	195,000	200,000	9,450	—	404,450
Net Change in Fund Balances	(8,483)	(3,873)	—	13,971	1,615
Fund Balances - Beginning	77,392	50,825	3,876	105,045	237,138
Fund Balances - Ending	68,909	46,952	3,876	119,016	238,753

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Final with Original	Actual Amounts	Variance Actual with Final
Revenues					
Investment Income	$ —	—	—	—	—
Expenditures					
Culture and Recreation					
Personnel	200,000	200,000	—	203,483	3,483
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(200,000)	—	(203,483)	(3,483)
Other Financing Sources					
Transfers In	195,000	195,000	—	195,000	—
Net Change in Fund Balance	(5,000)	(5,000)	—	(8,483)	(3,483)
Fund Balance - Beginning				77,392	
Fund Balance - Ending				68,909	

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Social Security - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Final with Original	Actual Amounts	Variance Actual with Final
Revenues					
Investment Income	$ —	—	—	—	—
Expenditures					
Culture and Recreation					
Personnel	205,000	205,000	—	203,873	(1,127)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(205,000)	(205,000)	—	(203,873)	1,127
Other Financing Sources					
Transfers In	200,000	200,000	—	200,000	—
Net Change in Fund Balance	(5,000)	(5,000)	—	(3,873)	1,127
Fund Balance - Beginning				50,825	
Fund Balance - Ending				46,952	

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Audit - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Final with Original	Actual Amounts	Variance Actual with Final
Revenues					
Investment Income	$ —	—	—	—	—
Expenditures					
Culture and Recreation					
Contractual Services	9,450	9,450	—	9,450	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,450)	(9,450)	—	(9,450)	—
Other Financing Sources					
Transfers In	9,450	9,450	—	9,450	—
Net Change in Fund Balance	—	—	—	—	—
Fund Balance - Beginning				3,876	
Fund Balance - Ending				3,876	

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Site and Building - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Final with Original	Actual Amounts	Variance Actual with Final
Revenues					
Taxes					
Property Taxes	$ 224,306	224,306	—	223,263	(1,043)
Expenditures					
Culture and Recreation					
Operations	203,930	203,930	—	209,292	5,362
Net Change in Fund Balance	20,376	20,376	—	13,971	(6,405)
Fund Balance - Beginning				105,045	
Fund Balance - Ending				119,016	