



**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025



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ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-4
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	5
Statement of Activities	6
Fund Financial Statements	
Governmental Funds	
Balance Sheet	7
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances.....	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	10
Notes to Financial Statements	11-34
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	35
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	36
Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios	37-38
Schedule of Changes in the Employer’s Total OPEB Liability and Related Ratios	
Other Postemployment Benefit Plan	39
Notes to Required Supplementary Information	40

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
INDIVIDUAL FUND FINANCIAL SCHEDULES	
MAJOR GOVERNMENTAL FUNDS	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Special Reserve Fund	41
Schedule of Expenditures - Budget and Actual	
General Fund	42-45
SUPPLEMENTAL DATA	
Debt Service Requirements	
2017A Debt Certificates	46
Property Tax Assessed Valuations, Rates and Extensions - Last Eight Tax Years.....	47-48

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Algonquin Area Public Library District
Algonquin, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Algonquin Area Public Library District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Algonquin Area Public Library District, as of June 30, 2025, 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 (GAAS). Our responsibilities under these 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The District adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. The implementation of this guidance resulted in changes to the accrual of compensated absence balances and a restatement of beginning net position. See Note 9 to the financial statements for additional information. Our opinion was not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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 District's ability to continue as a going concern for 12 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information 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 District's basic financial statements. The individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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 individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplemental data section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Sibich CPA LLC

Naperville, Illinois
November 25, 2025

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Information

The Algonquin Area Public Library was established as a Library District in 1962. The purpose of the District is to provide library services to the residents of the District. The District serves most of the Village of Algonquin, most of the Village of Lake in the Hills, and a small portion of the Village of Cary, as well as some unincorporated areas.

The Management's Discussion and Analysis is a required supplementary element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34. The purpose is to provide an overview of the financial activities of the Algonquin Area Public Library District on currently known facts, decisions, or conditions.

Financial Highlights

The Algonquin Area Public Library District's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources by \$17,687,162 as of the fiscal year ending June 30, 2025.

- Capital Assets of \$15,499,311 include land, buildings, collections, vehicles, furniture and equipment, and intangible right-to-use assets, net of accumulated depreciation and amortization.
- Unrestricted Net Position of \$3,012,384 is available to maintain the continuing operation of the Library.
- Debt Certificates outstanding are \$455,000 at June 30, 2025, with a current maturity of \$225,000.
- As a result of the current year operations, there was a positive change in Net Position of \$1,038,312, excluding the change in accounting principle of (\$286,052).

Financial Analysis of the Algonquin Area Public Library District as a Whole

Total Liabilities and Deferred Inflows of Resources of \$11,058,598 include General Obligation Debt Certificates (current and non-current), leases payable (current and non-current), SBITA payable (current and non-current), Net pension liability and the related deferred inflows of resources associated with IMRF, accounts payable, accrued liabilities, and deferred property tax revenue.

Summary of Net Position

	June 30, 2025	Percent	June 30, 2024	Percent
	Balances	of Total	Balances	of Total
Assets:				
Current and Other Assets	\$ 12,014,926	44%	\$ 15,058,878	57%
Capital Assets, Net of Accumulated Depreciation	15,499,311	56%	11,467,790	43%
Total Assets	<u>27,514,237</u>	<u>100%</u>	<u>26,526,668</u>	<u>100%</u>
Deferred Outflows of Resources:	<u>1,231,523</u>	<u>100%</u>	<u>1,424,284</u>	<u>100%</u>
Liabilities:				
Due Within One Year	703,979	18%	974,421	23%
Due in More Than One Year	3,211,701	82%	3,234,923	77%
Total Liabilities	<u>3,915,680</u>	<u>100%</u>	<u>4,209,344</u>	<u>100%</u>
Deferred Inflows of Resources:	<u>7,142,918</u>	<u>100%</u>	<u>6,806,706</u>	<u>100%</u>
Net Position:				
Net Investment in Capital Assets	14,611,165		9,928,691	
Restricted:				
Social Security	38,551		95,202	
Retirement	-		162,979	
Liability Insurance	23,071		610	
Audit	1,991		6,699	
Unrestricted	<u>3,012,384</u>		<u>6,740,721</u>	
Total Net Position	<u>\$ 17,687,162</u>		<u>\$ 16,934,902</u>	

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Statement of Activities

The data provided below is presented on the accrual basis of accounting. The following table summarizes the changes in the Algonquin Area Public Library District's total net position for the fiscal years ending June 30, 2025 and 2024.

	<u>2024-2025</u> Amounts	<u>Percent</u> <u>of Total</u>	<u>2023-2024</u> Amounts	<u>Percent</u> <u>of Total</u>
Expenses:				
Library Services				
Culture and Recreation	6,494,761	100%	5,886,087	100%
Interest on Long-Term Debt	20,427	0%	24,305	0%
Total Expenses	<u>6,515,188</u>	<u>100%</u>	<u>5,910,392</u>	<u>100%</u>
Program Revenues:				
Charges for Services	105,632	40%	96,995	62%
Operating Grants and Contributions	160,002	60%	60,408	38%
Total Program Revenues	<u>265,634</u>	<u>100%</u>	<u>157,403</u>	<u>100%</u>
General Revenues:				
Property Taxes	6,790,003	93%	6,365,666	91%
Replacement Taxes	53,093	1%	80,069	1%
Interest and Investment Income	436,642	6%	570,762	8%
Miscellaneous	8,128	0%	2,703	0%
Total General Revenues	<u>7,287,866</u>	<u>100%</u>	<u>7,019,200</u>	<u>100%</u>
Change in Net Position	1,038,312		1,266,211	
Net Position:				
Beginning of Year, as Reported	<u>16,934,902</u>		<u>15,668,691</u>	
Change in Accounting Principle	(286,052)			
Beginning of Year, as Restated	<u>16,648,850</u>			
End of Year	<u>\$ 17,687,162</u>		<u>\$ 16,934,902</u>	

Revenue

The Library received 93% of its general revenue from property taxes in FY2025. Interest and investment income made up 6% of general revenues due to very high interest rates and laddered investments. Replacement taxes and miscellaneous income make up the remaining 1% of the Library's general revenues.

Expenses

Personnel services is one of the largest area of expenses, totaling over 60% of all expenses from the Library Fund. Personnel services include salaries, health insurance benefits, training and development, employee retirement and social security benefits. The remaining Library Fund expenses represent Library operating costs, purchases of Library materials, principal and interest on Debt Certificates, and depreciation/amortization of the Library's capital assets. In addition, the Library spent almost \$4.5M out of the Special Reserve Fund on capital improvements on the Eastgate Branch building to complete the planned renovation project.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets

At the end of fiscal year 2025, the Algonquin Area Public Library District had total capital assets (net of accumulated depreciation and amortization) of \$15,499,311 invested in computers and electronic devices, furniture and fixtures, and the building which houses the Library operations. More detailed information about the District's capital assets is presented in Note 3 to the financial statements.

	2025	2024
Land	\$ 180,968	\$ 180,968
Construction in Progress	-	1,698,515
Building and Improvements	18,026,870	11,926,757
Collections	2,948,657	2,900,522
Automobiles	31,278	31,278
Furniture and Equipment	3,633,792	3,594,915
Intangible Cap Assets Being Amortized	685,421	710,560
Cost of Capital Assets	25,506,986	21,043,515
Less Accumulated Depreciation	(9,755,860)	(9,416,206)
Less Accumulated Amortization for Intangible Cap Assets	(251,815)	(159,519)
Net Capital Assets	<u>15,499,311</u>	<u>11,467,790</u>

Long-Term Debt

The District maintains \$455,000 in long-term debt in the form of debt certificates. In the current year, the District reduced its debt by principal payment of \$220,000 on outstanding debt certificates. Additionally, the District maintains long term debt associated with leases, \$384,864, and subscription-based IT arrangements (SBITA), \$48,282. These liabilities are recorded in accordance with GASB Statements No. 87 and 96, respectively. The District also reported long-term liabilities associated with the IMRF defined benefit pension plan of \$2,158,071, \$121,677 associated with the other postemployment benefit plan and \$512,239 in compensated absence accruals. More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.

Economic Conditions

The Algonquin Area Public Library District primarily operates on property taxes that are not affected by short-term economic conditions. However, the Library's property tax income is limited by a tax cap, which in the long term could affect income. While the Consumer Price Index (CPI) has decreased to more typical levels, unknown conditions about tariffs, exorbitant costs for digital materials, and uncertainties about library funding at the federal level impacted budget planning and operating costs in FY2025. The Library also saw continued new growth in the district, which positively impacts the tax base and indicates a growing, healthy community. This growth in both the tax base and CPI allowed for a greater increase in levied funds, which helped support the significant capital improvement project at the Eastgate Branch. The \$6.4M project was completed in FY25 with a total project cost closer to \$6.2M.

Fund Financial Statements

The Governmental Funds ended with an unassigned fund balance of \$3,511,710. Also included in the General Fund was a restricted fund balance of \$63,613 for special levies of the District and a nonspendable fund balance of \$20,348 for prepaid items. The Library has accumulated \$946,943 in a Special Reserve Fund for capital purposes.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Variations between Original and Final Budgets

Actual amounts for revenues in the General Fund were greater than the budgeted amount for the fiscal year ending June 30, 2025. This was largely a result of high interest rates at Illinois Funds and our new local bank, higher return on our investments, and a continued increase in revenue generated by the passport application acceptance service. Actual amounts of expenditures in the General Fund were less than the budgeted amount for the fiscal year ending June 30, 2025. This was largely due to lower-than-anticipated expenses for FICA, IMRF, and group insurance premiums and savings on electricity and materials expenses at the Eastgate Branch during construction. Our budget included a line for debt proceeds should we determine that was necessary during the Eastgate Branch Renovation Project, but no debt was issued. We received a small portion of the State and energy grants we anticipated in FY25 with the remainder of receipts anticipated in FY26.

CONTACTING THE ALGONQUIN AREA PUBLIC LIBRARY DISTRICT'S ADMINISTRATION

This financial report is designed to provide a general overview of the Algonquin Area Public Library District's finances, comply with finance related laws and regulations, and demonstrate the Library's commitment to public accountability. Questions about this report or the request for additional information should be sent to:

Sara Murray
Executive Director
Algonquin Area Public Library District
2600 Harnish Drive
Algonquin, IL 60102

BASIC FINANCIAL STATEMENTS

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 8,363,772
Receivables	
Property taxes	3,544,043
Interest	26,761
Due from other governments	60,000
Prepaid expenses	20,348
Capital assets not being depreciated	180,968
Capital assets, tangible and intangible (net of accumulated depreciation and amortization)	15,318,343
 Total assets	 27,514,237
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	1,231,523
 Total deferred outflows of resources	 1,231,523
 Total assets and deferred outflows of resources	 28,745,760
LIABILITIES	
Accounts payable	96,299
Accrued payroll	135,494
Accrued interest payable	3,754
Long-term liabilities	
Due within one year	468,432
Due in more than one year	3,211,701
 Total liabilities	 3,915,680
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	7,142,918
 Total deferred inflows of resources	 7,142,918
 Total liabilities and deferred inflows of resources	 11,058,598
NET POSITION	
Net investment in capital assets	14,611,165
Restricted for expendable	
Social Security	38,551
Liability insurance	23,071
Audit	1,991
Unrestricted	3,012,384
 TOTAL NET POSITION	 \$ 17,687,162

See accompanying notes to financial statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			Governmental Activities	Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities					
Culture and recreation	\$ 6,494,761	\$ 105,632	\$ 160,002	\$ -	\$ (6,229,127)
Interest	20,427	-	-	-	(20,427)
Total governmental activities	6,515,188	105,632	160,002	-	(6,249,554)
TOTAL PRIMARY GOVERNMENT	\$ 6,515,188	\$ 105,632	\$ 160,002	\$ -	(6,249,554)

General Revenues

Taxes	
Property	6,790,003
Replacement	53,093
Investment income	436,642
Miscellaneous	8,128
Total	7,287,866
CHANGE IN NET POSITION	1,038,312
NET POSITION, JULY 1, AS REPORTED	16,934,902
Change in accounting principle	(286,052)
NET POSITION, JULY 1, AS RESTATED	16,648,850
NET POSITION, JUNE 30	\$ 17,687,162

See accompanying notes to financial statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2025

	General	Special Reserve	Total Governmental Funds
ASSETS			
Cash and investments	\$ 7,416,829	\$ 946,943	\$ 8,363,772
Receivables			
Property taxes	3,544,043	-	3,544,043
Interest	26,761	-	26,761
Due from other governments	60,002	-	60,002
Prepaid items	20,348	-	20,348
	TOTAL ASSETS	\$ 946,943	\$ 12,014,926
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 96,299	\$ -	\$ 96,299
Accrued payroll	135,494	-	135,494
	Total liabilities	-	231,793
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	7,142,918	-	7,142,918
	Total deferred inflows of resources	-	7,142,918
	Total liabilities and deferred inflows of resources	-	7,374,711
FUND BALANCES			
Nonspendable			
Prepaid items	20,348	-	20,348
Restricted			
Social Security	38,551	-	38,551
Liability insurance	23,071	-	23,071
Audit	1,991	-	1,991
Assigned			
Subsequent year's budget	97,601	-	97,601
Capital projects	-	946,943	946,943
Unassigned	3,511,710	-	3,511,710
	Total fund balances	946,943	4,640,215
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 946,943	\$ 12,014,926

See accompanying notes to financial statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

June 30, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 4,640,215
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 governmental funds	15,499,311
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,231,523
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(3,754)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Debt certificates payable	(455,000)
Net pension liability - IMRF	(2,158,071)
Other postemployment benefits liability	(121,677)
Leases payable	(384,864)
SBITA payable	(48,282)
Compensated absences payable	(512,239)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 17,687,162</u></u>

See accompanying notes to financial statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

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

For the Year Ended June 30, 2025

	General	Special Reserve	Total Governmental Funds
REVENUES			
Taxes	\$ 6,843,096	\$ -	\$ 6,843,096
Intergovernmental	90,502	69,500	160,002
Charges for services	105,632	-	105,632
Investment income	436,642	-	436,642
Miscellaneous	8,128	-	8,128
Total revenues	7,484,000	69,500	7,553,500
EXPENDITURES			
Current			
Culture and recreation	5,758,231	-	5,758,231
Debt service			
Principal	332,571	-	332,571
Interest	22,241	-	22,241
Capital outlay	3,860	4,463,657	4,467,517
Total expenditures	6,116,903	4,463,657	10,580,560
NET CHANGE IN FUND BALANCES	1,367,097	(4,394,157)	(3,027,060)
FUND BALANCES, JULY 1	2,326,175	5,341,100	7,667,275
FUND BALANCES, JUNE 30	\$ 3,693,272	\$ 946,943	\$ 4,640,215

See accompanying notes to financial statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (3,027,060)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated or amortized in the statement of activities	5,143,177
Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(1,111,656)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(242,111)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding on the statement of activities	
Debt certificates	220,000
Leases payable	92,079
SBITA payable	20,492
The change in accrued interest payable is shown as an expense on the statement of activities	1,814
The change in the other postemployment benefits liability is reported only in the statement of activities	1,232
The change in compensated absences is shown as an expense on the statement of activities	<u>(59,655)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,038,312</u></u>

See accompanying notes to financial statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Algonquin Area Public Library District (the District), 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 reporting principles. The more significant of the accounting policies are described below.

a. Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS) in 1921 governed by an elected Board of Trustees. These financial statements present the District's reporting entity as required by GAAP. The District is considered to be a primary government since its board is separately elected and the District is fiscally independent.

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, the District does not have any component units. The Friends of the Library, while a potential component unit, is not significant to the District and, therefore, has been excluded from its reporting entity.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary. The District reports only governmental funds.

Governmental funds are used to account for all or most of a district's general activities, including the collection and disbursement of committed, restricted or assigned monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of general capital assets (capital projects funds) and the funds committed, restricted or assigned for servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the District not accounted for in some other fund.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The Special Reserve Fund, a Capital Projects Fund, is used to account for resources assigned for capital improvements at the District.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports deferred/unavailable revenue and unearned revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflow for deferred or unavailable revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Investments

Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Non-negotiable certificates of deposit, if any, are reported at cost.

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-40
Automobiles	7
Collections	5
Land improvements	15-20
Library equipment	5-10
Office equipment	5-10
Furniture and fixtures	5-10

Intangible assets represent the District's right-to-use a leased asset and the District's right-to-use subscription-based information technology. These intangible assets, as defined by GASB Statement No. 87, *Leases* and No. 96, *Subscription-Based Information Technology Arrangements*, are for leased contracts of nonfinancial assets including equipment and for subscription contracts of nonfinancial assets including software, respectively.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Compensated Absences

The District implemented GASB Statement No. 101, *Compensated Absences*, for fiscal year ended June 30, 2025. Vested or accumulated vacation and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave of governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, beginning net position was required to be restated.

h. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount, as applicable. Bond issuance costs are reported as expenses in the current period.

In the fund financial statements, governmental funds 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 expenditures.

i. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the District's Board of Trustees. Assigned fund balance represent amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's director through the approved fund balance policy of the District.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Balance/Net Position (Continued)

Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances in governmental funds are also reported as unassigned.

The District has adopted targeted fund balances for certain funds. The General (Corporate) Fund should maintain an unrestricted fund balance of no less than three months and no more than 12 months of operating expenditures. The target fund balance at the end of the fiscal year is 6 to 12 months of operating expenditures. Balances above the maximum at fiscal year-end may be transferred to other funds or the Special Reserve Fund by board resolution. For restricted funds (excluding the Special Reserve Fund), restricted fund balances will be targeted at a minimum level of 10% of annual budget expenditures and adjusted annually with the adoption of the annual budget by the District Board of Trustees.

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

The various inflows supported by property taxes in the General Fund are restricted due to the restricted revenue streams of the fund balance. Other funds are restricted due to the nature of the contributions to the fund.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the net position is restricted as a result of enabling legislation adopted by the District. Net investment in capital assets is the book value of capital assets less outstanding principal balances of debt that was issued to construct the capital assets.

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

l. Prepaid Expenses/Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid expenses/items. Such amounts are offset by nonspendable fund balance for prepaid items in the fund financial statements.

m. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount 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.

2. DEPOSITS AND INVESTMENTS

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

The District's investment policy authorizes the District to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, The Illinois Public Treasurers' Investment Pool (The Illinois Funds) Trust. The District's deposits at June 30, 2025 include deposits/investments in commercial banks, The Illinois Funds and the Illinois Institutional Investors Trust.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The Illinois Funds operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer’s Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

a. Deposits with Financial Institutions

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires pledging of collateral held by a third-party custodian in the District’s name and documented by a safekeeping agreement which requires board approval for substitution or exchange of securities held as collateral. Eligible collateral is any investment acceptable under the applicable law with a final maturity not exceeding five years.

b. Investments

As of June 30, 2025, the District had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable certificates of deposit	\$ 993,592	\$ 498,807	\$ 494,785	\$ -	\$ -
U.S. Government bonds	405,968	-	405,968	-	-
U.S. Treasury securities	839,980	640,188	199,792	-	-
Municipal bonds	1,223,486	214,048	1,009,438	-	-
TOTAL	\$ 3,463,026	\$ 1,355,043	\$ 2,109,983	\$ -	\$ -

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

In accordance with its investment policy, the District limits its exposure to interest rate risk, the risk that the fair value of securities in the portfolio will fall due to changes in interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The District's investment policy does not specifically limit the maximum maturity length of investments.

The District has the following recurring fair value measurements as of June 30, 2025: The U.S. Treasury securities, negotiable certificates of deposit, U.S. Government bonds and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs).

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government, negotiable certificates of deposit, municipal bonds rated within the four highest general classifications established by a national rating service and registered in the name of the District and The Illinois Funds. However, the District's investment policy does not specifically limit the District to these types of investments. The District's investment policy also requires diversification so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The Illinois Funds is rated AAA by Standard and Poor's. The U.S. Treasury securities and U.S. Government bonds are rated AAA. The municipal bonds are rated AAA to AA. The negotiable certificates of deposit are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the District's investment policy requires keeping authorized investments with a third-party custodian in an account in the District's name and documented by a safekeeping or custody agreement approved by the board. The Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has too high a percentage of their investments invested in one type of investment. The District's investment policy requires diversification as noted above. In addition, the District's investment policy states that commercial paper shall not exceed 10% of the District's investment portfolio.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balances July 1	Increases	Decreases	Balances June 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 180,968	\$ -	\$ -	\$ 180,968
Construction in progress	1,698,515	-	1,698,515	-
Total capital assets not being depreciated	1,879,483	-	1,698,515	180,968
Tangible capital assets being depreciated				
Land improvements	239,643	-	-	239,643
Buildings	11,687,114	6,100,113	-	17,787,227
Collections	2,900,522	702,702	654,567	2,948,657
Automobiles	31,278	-	-	31,278
Furniture and fixtures	1,878,766	-	-	1,878,766
Office equipment	255,611	38,877	-	294,488
Library equipment	1,460,538	-	-	1,460,538
Total tangible capital assets being depreciated	18,453,472	6,841,692	654,567	24,640,597
Intangible capital assets being amortized				
Equipment	592,200	-	-	592,200
Software	118,360	-	25,139	93,221
Total intangible capital assets being amortized	710,560	-	25,139	685,421
Less accumulated depreciation for tangible capital assets				
Land improvements	204,816	3,064	-	207,880
Buildings	4,281,051	379,542	-	4,660,593
Collections	1,397,048	580,105	654,567	1,322,586
Automobiles	18,768	3,128	-	21,896
Furniture and fixtures	1,853,762	8,925	-	1,862,687
Office equipment	255,613	3,888	-	259,501
Library equipment	1,405,148	15,569	-	1,420,717
Total accumulated depreciation for tangible capital assets	9,416,206	994,221	654,567	9,755,860
Less accumulated amortization for intangible capital assets				
Equipment	110,922	91,380	-	202,302
Software	48,597	26,055	25,139	49,513
Total accumulated amortization for intangible capital assets	159,519	117,435	25,139	251,815
Total tangible and intangible capital assets being depreciated and amortized, net	9,588,307	5,730,036	-	15,318,343
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 11,467,790	\$ 5,730,036	\$ 1,698,515	\$ 15,499,311

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES

Culture and recreation	<u>\$ 1,111,656</u>
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4. PROPERTY TAXES

The property tax lien date is January 1. Property taxes are due to the County Collector in two installments, June 1 and September 1. Property taxes for 2023 are normally received monthly beginning in June 2024 and generally ending by November 2024. The 2024 levy was adopted in November 2024 and is recorded as a receivable at June 30 less collections to date and recorded as deferred/unavailable revenue since it is intended to finance the subsequent fiscal year. The 2025 tax levy, which attached as an enforceable lien on property as of January 1, 2024, has not been recorded as a receivable as of June 30, 2025, as the tax has not yet been levied by the District and will not be levied until November 2025 and, therefore, the levy is not measurable at June 30, 2025.

5. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term debt:

Issue	Fund Debt Retired By	Balances July 1, Restated [^]	Issuances	Retirements	Balances June 30	Current Portion
	Debt Service					
2017A Debt Certificates Lease payable		\$ 675,000	\$ -	\$ 220,000	\$ 455,000	\$ 225,000
SBITA payable		476,943	-	92,079	384,864	84,648
Net pension liability	General	68,774	-	20,492	48,282	17,381
Other postemployment benefit liability	General	2,108,721	49,350	-	2,158,071	-
Accrued compensated absences payable*		122,909	-	1,232	121,677	13,343
		452,584	59,655	-	512,239	128,060
TOTAL		<u>\$ 3,904,931</u>	<u>\$ 109,005</u>	<u>\$ 333,803</u>	<u>\$ 3,680,133</u>	<u>\$ 468,432</u>

*The issuances and retirements of accrued compensated absences payable are reported net.

[^]The beginning balances of accrued compensated absences payable was restated in accordance with the implementation of GASB Statement No. 101, *Compensated Absences*.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

Debt Certificates, Series 2017A (direct placement) - \$2,130,000 original principal; dated August 15, 2017; due in annual installments through February 1, 2027; interest payable semiannually on February 1 and August 1 at 1.98% per year.

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 225,000	\$ 9,010
2027	230,000	4,554
TOTAL	\$ 455,000	\$ 13,564

c. Legal Debt Margin

ASSESSED VALUATION - 2024	<u>\$ 1,743,304,826</u>
LEGAL DEBT LIMIT - 2.875% OF ASSESSED VALUATION	\$ 50,120,014
Amount of debt applicable of debt limit	<u>455,000</u>
LEGAL DEBT MARGIN	<u>\$ 49,665,014</u>

Chapter 50, Section 405/1 of the ILCS provides: “no township, school district, or other municipal corporation having a population of less than 300,000 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 the 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 such governmental unit’s 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.”

The limitations prescribed shall not apply to any indebtedness of any library district incurred for acquiring or improving sites; constructing, extending or improving and equipping sites for public library purposes; or for the establishment, support and maintenance of a public library, under the provisions of the Illinois Public Library District Act.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Leases

In accordance with GASB Statement No. 87, *Leases*, the District's lease activity is as follows:

The District entered into multiple lease arrangements for the right-to-use equipment. Payments for these arrangements range from \$1,384 to \$78,013 through July 1, 2030. The Library has discounted these arrangements at 5%. Total intangible right-to-use assets acquired under these arrangements are \$592,200 and the lease liability at fiscal year-end for these arrangements is \$384,864. Total principal expenditure for the year on these arrangements was \$92,079.

Obligations of governmental activities under leases payable, typically paid from the General Fund, including future interest payments at June 30, 2025, were as follows:

Year Ending June 30,	Leases	
	Principal	Interest
2026	\$ 84,648	\$ 9,973
2027	86,785	7,836
2028	73,630	5,767
2029	74,110	3,903
2030	65,691	1,977
TOTAL	\$ 384,864	\$ 29,456

e. Subscription-Based Information Technology Arrangements

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the District's SBITA activity is as follows:

The District entered into multiple SBITA arrangements for the right-to-use software. Payments for these arrangements range from \$995 to \$18,468 through July 1, 2028. The Library has discounted these arrangements at 5%. Total intangible right-to-use assets acquired under these arrangements are \$93,221 and the SBITA liability at fiscal year-end for these arrangements is \$48,282. Total principal expenditure for the year on these arrangements was \$20,492.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Subscription-Based Information Technology Arrangements (Continued)

Obligations of governmental activities under SBITA payable, typically paid from the General Fund, including future interest payments at June 30, 2025, were as follows:

Year Ending June 30,	SBITA	
	Principal	Interest
2026	\$ 17,381	\$ 1,982
2027	15,081	1,203
2028	15,820	431
TOTAL	\$ 48,282	\$ 3,616

6. RISK MANAGEMENT

The District is exposed to various risks of loss including, but not limited to, employee health, general liability, property casualty, workers’ compensation and public officials’ liability. The District has purchased commercial insurance from private insurance companies to cover these risks. The District also pays premiums to a third party insurance carrier for employee medical insurance. Settled claims have not exceeded insurance coverages in the fiscal year or prior two fiscal years.

7. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The District’s defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

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.

Plan Membership

At December 31, 2024, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	62
Active employees	<u>60</u>
 TOTAL	 <u><u>191</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended June 30, 2025 was 10.17%.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

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.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2024, was 7.25%. 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 the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Long-Term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85% to 6.25%
Cash equivalents	1.00%	3.60%
TOTAL	100.00%	

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 17,209,499	\$ 15,100,778	\$ 2,108,721
Changes for the period			
Service cost	245,418	-	245,418
Interest	1,224,452	-	1,224,452
Difference between expected and actual experience	663,604	-	663,604
Changes in assumptions	-	-	-
Employer contributions	-	273,210	(273,210)
Employee contributions	-	130,515	(130,515)
Net investment income	-	1,490,678	(1,490,678)
Benefit payments and refunds	(886,439)	(886,439)	-
Administrative expense	-	-	-
Other (net transfer)	-	189,721	(189,721)
Net changes	1,247,035	1,197,685	49,350
BALANCES AT DECEMBER 31, 2024	\$ 18,456,534	\$ 16,298,463	\$ 2,158,071

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the District recognized pension expense of \$557,001. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 670,708	\$ -
Changes in assumption	1,289	-
Net difference between projected and actual earnings on pension plan investments	381,843	-
Employer contributions after the measurement date	177,683	-
TOTAL	<u>\$ 1,231,523</u>	<u>\$ -</u>

\$177,683 reported as deferred outflows of pensions result from the District's contributions subsequent to the measurement date will be recognized as a reduction/increase of the net pension liability/asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2026	\$ 539,434
2027	734,247
2028	(138,544)
2029	(81,297)
2030	-
Thereafter	-
TOTAL	<u>\$ 1,053,840</u>

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 4,324,089	\$ 2,158,071	\$ 442,374

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides other postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the District’s governmental activities.

b. Benefits Provided

The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the District’s retirement plan. Retirees pay 100% of the premium. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan but can purchase a Medicare supplement plan from the District’s insurance provider.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At June 30, 2024 (most recent information available), membership consisted of:

Inactive fund members or beneficiaries currently receiving benefits payments	1
Inactive fund members entitled to but not yet receiving benefit payments	-
Active fund members	<u>29</u>
TOTAL	<u>30</u>

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2025, as determined by an actuarial valuation as of July 1, 2024, using the alternative measurement method, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to June 30, 2025, including updating the discount rate at June 30, 2025, as noted below.

Actuarial valuation date	July 1, 2024
Actuarial cost method	Entry-age normal
Inflation	2.25%
Discount rate	5.20%
Healthcare cost trend rates	6.80% initial, to an ultimate trend rate of 5.00%
Mortality rates	PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Discount Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The discount rate in the previous measurement was 3.93%.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JULY 1, 2024	\$ 122,909
Changes for the period	
Service cost	18,991
Interest	4,568
Differences between expected and actual experience	-
Changes in assumptions	(11,448)
Implicit benefit payments	<u>(13,343)</u>
Net changes	<u>(1,232)</u>
BALANCES AT JUNE 30, 2025	<u>\$ 121,677</u>

Changes in assumptions related to the discount rate were made since the previous measurement date.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 5.20% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20%) or 1 percentage point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	\$ 130,615	\$ 121,677	\$ 113,326

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 5.00% to 6.80% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 5.80%) or 1 percentage point higher (6.00% to 7.80%) than the current rate:

	1% Decrease (4.00% to 5.80%)	Current Healthcare Rate (5.00% to 6.80%)	1% Increase (6.00% to 7.80%)
Total OPEB liability	\$ 107,364	\$ 121,677	\$ 138,787

h. OPEB Expense

For the year ended June 30, 2025, the District recognized OPEB expense of \$12,111. Under GASB Statement No. 75, plans that qualify for the Alternative Measurement Method, changes to the OPEB liability are not required to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

9. CHANGE IN ACCOUNTING PRINCIPLE

Change in Accounting Principle

For the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this guidance resulted in an increase in compensated absences and culture and recreation expense of \$286,052 for the fiscal year ended June 30, 2024.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

Change in Accounting Principle (Continued)

The net effect of the restatement is summarized below:

	<u>Governmental Activities</u>
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 16,934,902</u>
Change in accounting principle - GASB 101	<u>(286,052)</u>
Total net restatement	<u>(286,052)</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 16,648,850</u>

REQUIRED SUPPLEMENTARY INFORMATION

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2025

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property	\$ 6,806,706	\$ 6,790,003
Replacement	61,550	53,093
Intergovernmental		
Per capita grant	65,408	60,002
Other state grants	900,000	30,500
Charges for services	86,250	105,632
Investment income	297,000	436,642
Miscellaneous	1,300	8,128
	<hr/>	<hr/>
Total revenues	8,218,214	7,484,000
	<hr/>	<hr/>
EXPENDITURES		
	<u>Appropriations</u>	
Culture and recreation		
Personnel	\$ 4,800,000	4,442,108
Building operating costs	570,000	406,450
Trustee	12,000	8,351
Outside professional services	195,000	126,200
Library books and materials	870,000	808,083
Promotion and publicity	205,000	171,000
Library operations	125,000	112,250
Computer services	350,000	283,113
Miscellaneous	160,000	101,750
Per capita grant	200,000	65,408
Debt service		
Principal	250,000	220,000
Interest	-	13,365
Capital outlay	5,421,000	2,910,000
	<hr/>	<hr/>
Total expenditures	\$ 13,158,000	9,668,078
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>
	(1,449,864)	1,367,097
OTHER FINANCING SOURCES (USES)		
Issuance of bonds	-	2,000,000
Transfers (out)	(1,000,000)	(550,000)
	<hr/>	<hr/>
Total other financing sources (uses)	1,450,000	-
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 136	1,367,097
	<hr/>	<hr/>
FUND BALANCE, JULY 1		2,326,175
		<hr/>
FUND BALANCE, JUNE 30		\$ 3,693,272
		<hr/>

(See independent auditor's report.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 232,245	\$ 387,506	\$ 291,516	\$ 265,531	\$ 284,516	\$ 299,882	\$ 295,616	\$ 295,526	\$ 280,116	\$ 314,890
Contributions in relation to the actuarially determined contribution	232,245	299,172	291,516	265,531	284,516	299,882	295,616	295,526	280,116	314,890
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ 88,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	\$ 710,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,894,335	\$ 2,083,368	\$ 2,113,970	\$ 2,083,310	\$ 2,274,715	\$ 2,351,986	\$ 2,556,633	\$ 2,777,836	\$ 2,858,667	\$ 3,097,236
Contributions as a percentage of covered payroll	12.26%	14.36%	13.79%	12.75%	12.51%	12.75%	11.56%	10.64%	9.80%	10.17%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 3.25% compounded annually.

(See independent auditor's report.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	\$ 196,125	\$ 223,155	\$ 226,703	\$ 215,884	\$ 213,689	\$ 222,378	\$ 217,024	\$ 218,005	\$ 249,925	\$ 245,418
Interest	740,714	802,888	845,144	846,403	941,933	981,026	1,036,190	1,106,278	1,153,720	1,224,452
Differences between expected and actual experience	354,466	10,220	(184,692)	830,028	(10,936)	401,299	497,146	142,307	446,024	663,604
Changes of assumptions	14,228	(59,377)	(349,750)	383,160	-	(136,679)	-	-	2,937	-
Benefit payments, including refunds of member contributions	(480,331)	(464,321)	(480,974)	(549,448)	(585,678)	(633,972)	(774,953)	(793,288)	(863,052)	(886,439)
Net change in total pension liability	825,202	512,565	56,431	1,726,027	559,008	834,052	975,407	673,302	989,554	1,247,035
Total pension liability - beginning	10,057,951	10,883,153	11,395,718	11,452,149	13,178,176	13,737,184	14,571,236	15,546,643	16,219,945	17,209,499
TOTAL PENSION LIABILITY - ENDING	\$ 10,883,153	\$ 11,395,718	\$ 11,452,149	\$ 13,178,176	\$ 13,737,184	\$ 14,571,236	\$ 15,546,643	\$ 16,219,945	\$ 17,209,499	\$ 18,456,534
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 942,886	\$ 299,172	\$ 291,517	\$ 287,066	\$ 256,931	\$ 311,353	\$ 298,300	\$ 292,851	\$ 291,140	\$ 273,210
Contributions - member	114,645	93,751	95,129	94,086	98,233	104,171	108,958	121,348	127,598	130,515
Net investment income	40,446	592,726	1,596,127	(525,386)	1,980,797	1,759,825	2,352,007	(2,028,812)	1,488,379	1,490,678
Benefit payments, including refunds of member contributions	(480,331)	(464,321)	(480,974)	(549,448)	(585,678)	(633,972)	(774,953)	(793,288)	(863,052)	(886,439)
Other	73,293	44,727	(305,181)	1,035,896	73,157	142,331	54,873	(20,285)	342,217	189,721
Net change in plan fiduciary net position	690,939	566,055	1,196,618	342,214	1,823,440	1,683,708	2,039,185	(2,428,186)	1,386,282	1,197,685
Plan fiduciary net position - beginning	7,800,523	8,491,462	9,057,517	10,254,135	10,596,349	12,419,789	14,103,497	16,142,682	13,714,496	15,100,778
PLAN FIDUCIARY NET POSITION - ENDING	\$ 8,491,462	\$ 9,057,517	\$ 10,254,135	\$ 10,596,349	\$ 12,419,789	\$ 14,103,497	\$ 16,142,682	\$ 13,714,496	\$ 15,100,778	\$ 16,298,463
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 2,391,691	\$ 2,338,201	\$ 1,198,014	\$ 2,581,827	\$ 1,317,395	\$ 467,739	\$ (596,039)	\$ 2,505,449	\$ 2,108,721	\$ 2,158,071

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of the total pension liability	78.00%	79.50%	89.50%	80.40%	90.40%	96.80%	103.80%	84.60%	87.70%	88.30%
Covered payroll	\$ 1,894,335	\$ 2,083,368	\$ 2,113,970	\$ 2,090,788	\$ 2,182,936	\$ 2,314,899	\$ 2,421,272	\$ 2,696,605	\$ 2,835,515	\$ 2,900,325
Employer's net pension liability (asset) as a percentage of covered payroll	126.30%	112.20%	56.70%	123.50%	60.30%	20.20%	-24.60%	92.90%	74.40%	74.40%

Assumption Changes:

In 2023, changes in assumptions were made related to mortality rates and other demographics.

In 2020, changes in assumptions were made related to price inflation, salary increases, retirement age and mortality rates.

In 2018, changes in assumptions were made related to the discount rate.

In 2017, changes in assumptions were made related to price inflation, salary increases, retirement age and mortality rates.

In 2014, 2015 and 2016, changes in assumptions were made related to the discount rate.

(See independent auditor's report.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTRETIREMENT BENEFIT PLAN**

Last Seven Fiscal Years

FISCAL YEAR ENDING JUNE 30,	2019	2020	2021	2022	2023	2024	2025
TOTAL OPEB LIABILITY							
Service cost	\$ 3,624	\$ 721	\$ 2,326	\$ 2,537	\$ 2,697	\$ 2,525	\$ 18,991
Interest	8,818	7,560	3,434	3,327	7,766	7,753	4,568
Difference between expected and actual experience	-	(60,751)	-	149,165	-	(90,867)	(11,448)
Changes in assumptions	6,270	16,818	9,248	(73,233)	(189)	(946)	(13,343)
Implicit benefit payments	(29,481)	(31,663)	(18,346)	(14,359)	(18,559)	(15,904)	-
Net change in total OPEB liability	(10,769)	(67,315)	(3,338)	67,437	(8,285)	(97,439)	(1,232)
Total OPEB liability - beginning	242,618	231,849	164,534	161,196	228,633	220,348	122,909
TOTAL OPEB LIABILITY - ENDING	\$ 231,849	\$ 164,534	\$ 161,196	\$ 228,633	\$ 220,348	\$ 122,909	\$ 121,677
Covered-employee payroll	\$ 2,114,694	\$ 1,598,027	\$ 1,637,978	\$ 1,815,169	\$ 1,860,548	\$ 1,851,442	\$ 2,210,223
Employers total OPEB liability as a percentage of covered-employee payroll	10.96%	10.30%	9.84%	12.60%	11.84%	6.64%	5.51%

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

2025: Changes in assumptions related to the discount rate were made since the previous measurement date.

2024: Changes in assumptions related to the discount rate were made since the previous measurement date.

2023: Changes in assumptions related to the discount rate were made since the previous measurement date.

2022: Changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates were made since the previous measurement date.

2021: Changes in assumptions related to the discount rate were made since the previous measurement date.

2020: Changes in assumptions related to the discount rate, inflation rate, total payroll increases, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates were made since the previous measurement date.

2019: Changes in assumptions related to the discount rate were made since the previous measurement period.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

BUDGET/APPROPRIATION

Budgets are adopted on a basis consistent with GAAP. The District follows these procedures in establishing a budget:

The Executive Director prepares a tentative budget. The budget document is submitted to the Board of Trustees for review. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal year (September 30). All unspent budgetary amounts lapse at year end. Expenditures legally may not exceed the total appropriations at the fund level. No amendments to the budget at this level are allowed without Board of Trustees approval. Notice is given and public meetings are conducted to obtain taxpayer comments.

Budgetary information for individual funds is prepared on the same basis as the general purpose financial statements. Working budgets are prepared for all governmental funds and are prepared based on the annual fiscal year of the District. Budgetary funds are controlled by an integrated budgetary accounting system in accordance, where applicable, with various legal requirements governing the District.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENT FUNDS

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RESERVE FUND**

For the Year Ended June 30, 2025

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ -	\$ 69,500
Total revenues	-	69,500
	<u>Appropriations</u>	
EXPENDITURES		
Capital outlay	\$ 6,500,000	5,000,000
Total expenditures	6,500,000	4,463,657
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,500,000)	(5,000,000)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	550,000
Total other financing sources (uses)	-	550,000
NET CHANGE IN FUND BALANCE	<u>\$ (6,500,000)</u>	<u>\$ (4,450,000)</u>
FUND BALANCE, JULY 1		<u>5,341,100</u>
FUND BALANCE, JUNE 30		<u><u>\$ 946,943</u></u>

(See independent auditor's report.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Personnel			
Salaries - administration	\$ 543,341	\$ 543,341	\$ 544,208
Salaries - technology	304,893	304,893	303,560
Salaries - circulation	249,115	249,115	258,593
Salaries - custodial	156,786	156,786	112,338
Salaries - adult services	551,413	551,413	513,158
Salaries - youth services	613,601	613,601	612,315
Salaries - technical services	419,262	419,262	389,330
Salaries - Eastgate	359,670	359,670	355,107
Salaries - contingency	79,952	79,952	-
Group medical insurance	500,000	500,000	442,915
Employee recognition	8,500	8,500	6,729
Employee telework reimbursement	3,000	3,000	2,650
Employee conferences	36,464	36,464	19,971
Employee continuing education	13,900	13,900	4,433
Employee in-service training	2,200	2,200	370
Employee networking	1,200	1,200	1,381
Employee professional fees	4,500	4,500	3,963
Library professional fees	4,200	4,200	1,419
Employee tuition reimbursement	9,000	9,000	3,294
Employee hiring costs	900	900	444
Employer FICA	251,261	251,261	230,467
Employer IMRF	328,950	328,950	314,890
	<hr/>	<hr/>	<hr/>
Total personnel	4,442,108	4,442,108	4,121,535
Building operating costs			
Utilities - electric	70,000	70,000	71,876
Utilities - electric - Eastgate	70,000	70,000	34,446
Utilities - gas	25,000	25,000	23,441
Utilities - water	3,500	3,500	3,987
Utilities - water - Eastgate	1,000	1,000	758
Garbage	3,350	3,350	2,646
Garbage - Eastgate	2,100	2,100	1,095
Cleaning	55,000	55,000	44,160
Cleaning - Eastgate	17,500	17,500	9,978
Snow removal	12,000	12,000	8,905
Snow removal - Eastgate	5,000	5,000	3,469
Landscape services	40,000	40,000	8,704
Landscape services - Eastgate	5,000	5,000	762
Building maintenance	35,000	35,000	42,236
Building maintenance - Eastgate	5,000	5,000	5,195
Building maintenance contracts	30,000	30,000	26,883
Building maintenance contracts - Eastgate	15,000	15,000	11,033

(This schedule is continued on the following pages.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Building operating costs (Continued)			
Building supplies	\$ 8,500	\$ 8,500	\$ 10,797
Building supplies - Eastgate	1,500	1,500	4,171
Equipment	1,000	1,000	-
Equipment - Eastgate	1,000	1,000	-
	<hr/>		
Total building operating costs	406,450	406,450	314,542
	<hr/>		
Trustee			
Trustee professional fees	850	850	525
Trustee development	5,500	5,500	1,196
Legal notice publication	2,000	2,000	1,971
Land lease payment	1	1	1
	<hr/>		
Total trustee	8,351	8,351	3,693
	<hr/>		
Outside professional services			
Legal services	7,500	7,500	2,250
Accounting services	20,000	20,000	18,420
Payroll services	20,000	20,000	19,309
Audit	14,700	14,700	14,635
Library fees	20,000	20,000	17,325
Credit card services	3,000	3,000	3,238
Other professional services	41,000	41,000	29,040
	<hr/>		
Total other professional services	126,200	126,200	104,217
	<hr/>		
Library books and materials			
Books - adult	118,810	118,810	97,336
Books - adult - outreach	1,000	1,000	-
Books - adult - Eastgate	20,000	20,000	17,631
Books - children	75,000	75,000	70,512
Books - children - Eastgate	11,000	11,000	11,749
Books - professional use	400	400	469
Periodicals - adult	12,780	12,780	11,755
Periodicals - children	1,750	1,750	1,701
Periodicals - Eastgate	5,550	5,550	3,625
Periodicals - professional use	1,800	1,800	1,836
AV material - adult	55,835	55,835	45,436
AV material - adult - Eastgate	15,000	15,000	11,495
AV material - children	20,000	20,000	18,685
AV material - children - Eastgate	6,000	6,000	4,477
Other published materials	11,458	11,458	9,334
Digital resources	233,050	233,050	218,173
Lost and paid refunds	750	750	236

(This schedule is continued on the following pages.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Library books and materials (Continued)			
Interlibrary loan	\$ 100	\$ 100	\$ 81
E-books - adult	92,000	92,000	90,877
E-books - children	6,000	6,000	-
E-books - children outreach	1,000	1,000	344
E-audio - adult	78,800	78,800	82,418
E-audio - children	3,000	3,000	-
Processing - print	14,000	14,000	8,903
Processing - AV	8,000	8,000	5,321
Programs and supplies	15,000	15,000	13,988
Total library books and materials	808,083	808,083	726,382
Promotion and publicity			
Programming - adult	39,000	39,000	35,118
Programming - children	36,000	36,000	35,930
Programming - Eastgate	8,000	8,000	6,224
Newsletter	70,000	70,000	52,791
Public relations	18,000	18,000	15,492
Total promotion and publicity	171,000	171,000	145,555
Library operation			
Supplies	37,800	37,800	33,767
Postage	9,700	9,700	9,997
Small equipment purchases	4,000	4,000	1,754
Telephone	18,000	18,000	(1,101)
Telephone - Eastgate	3,550	3,550	3,627
Office equipment maintenance	30,000	30,000	10,898
Office equipment maintenance - Eastgate	6,700	6,700	5,741
Vehicle maintenance	2,500	2,500	609
Total library operation	112,250	112,250	65,292
Computer services			
Circulation system fees	80,000	80,000	73,973
Computer connectivity	5,100	5,100	6,528
3M equipment maintenance	78,013	78,013	-
Software	8,000	8,000	14,256
Hardware	62,000	62,000	46,305
Additional computer services	50,000	50,000	26,445
Total computer services	283,113	283,113	167,507

(This schedule is continued on the following page.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Other			
Staff purchases	\$ 300	\$ 300	\$ 41
Gifts and memorials/friends	250	250	-
Volunteer expenses	500	500	43
Contingency	35,000	35,000	-
Liability insurance	60,000	60,000	47,067
Friends purchases	5,700	5,700	700
Total other	<u>101,750</u>	<u>101,750</u>	<u>47,851</u>
Per capital grant			
Per capita grant expenditures	<u>65,408</u>	<u>65,408</u>	<u>61,657</u>
Total per capita grant	<u>65,408</u>	<u>65,408</u>	<u>61,657</u>
DEBT SERVICE			
Principal payments	220,000	220,000	332,571
Interest	13,365	13,365	22,241
Total debt service	<u>233,365</u>	<u>233,365</u>	<u>354,812</u>
Total general government	<u>6,758,078</u>	<u>6,758,078</u>	<u>6,113,043</u>
CAPITAL IMPROVEMENTS			
Building improvements	2,900,000	2,900,000	-
Furniture	10,000	10,000	3,860
Total capital improvements	<u>2,910,000</u>	<u>2,910,000</u>	<u>3,860</u>
TOTAL EXPENDITURES	<u><u>\$ 9,668,078</u></u>	<u><u>\$ 9,668,078</u></u>	<u><u>\$ 6,116,903</u></u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

**DEBT SERVICE REQUIREMENTS
2017A DEBT CERTIFICATES**

June 30, 2025

Date of Issue August 15, 2017
 Authorized Issue \$2,130,000 (Direct Placement)
 Interest Rates 1.98%
 Interest Dates February 1 and August 1
 Principal Maturity Date February 1, 2027

Fiscal Year	Requirements			Interest Due On			
	Principal Payments	Interest	Total	August 1	Amount	February 1	Amount
2026	\$ 225,000	\$ 9,010	\$ 234,010	2025	\$ 4,505	2026	\$ 4,505
2027	230,000	4,554	234,554	2026	2,277	2027	2,277
	<u>\$ 455,000</u>	<u>\$ 13,564</u>	<u>\$ 468,564</u>		<u>\$ 6,782</u>		<u>\$ 6,782</u>

(See independent auditor's report.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES AND EXTENSIONS

Last Eight Tax Levy Years

Tax Levy Year	2024	2023	2022	2021	2020	2019	2018	2017
ASSESSED VALUATION	\$ 1,743,304,826	\$ 1,549,909,383	\$ 1,417,674,619	\$ 1,315,964,818	\$ 1,272,816,261	\$ 1,233,760,504	\$ 1,173,577,963	\$ 1,109,301,845
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
TAX RATES								
McHenry County								
General	0.35666	0.39359	0.39965	0.39189	0.39732	0.39388	0.41452	0.44490
Bond and interest	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.07800
Building maintenance	0.01833	0.01959	0.01983	0.01972	0.01977	0.01962	0.01820	0.01760
IMRF	0.01804	0.00964	0.01049	0.02698	0.02911	0.02981	0.02678	0.02000
Audit	0.00069	0.00064	0.00105	0.00090	0.00093	0.00095	0.00075	0.00000
Liability insurance	0.00344	0.00450	0.00350	0.00112	0.00002	0.00557	0.00511	0.00420
Social Security	0.01260	0.01124	0.01574	0.01724	0.01747	0.01789	0.01492	0.01150
Total McHenry County	<u>0.40976</u>	<u>0.43920</u>	<u>0.45026</u>	<u>0.45785</u>	<u>0.46462</u>	<u>0.46772</u>	<u>0.48028</u>	<u>0.57620</u>
Kane County								
General	0.35596	0.39245	0.39904	0.39162	0.39656	0.39388	0.41452	0.43220
Bond and interest	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.07880
Building maintenance	0.01833	0.01959	0.01983	0.01972	0.01976	0.01962	0.01820	0.01750
IMRF	0.01804	0.00964	0.01049	0.02698	0.02911	0.02981	0.02678	0.02770
Audit	0.00069	0.00064	0.00105	0.00090	0.00093	0.00095	0.00075	0.00090
Liability insurance	0.00344	0.00450	0.00350	0.00112	0.00078	0.00557	0.00511	0.00550
Social Security	0.01260	0.01124	0.01574	0.01724	0.01747	0.01789	0.01492	0.01420
Total Kane County	<u>0.40906</u>	<u>0.43806</u>	<u>0.44965</u>	<u>0.45758</u>	<u>0.46461</u>	<u>0.46772</u>	<u>0.48028</u>	<u>0.57680</u>

(This schedule is continued on the following page.)

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT
ALGONQUIN, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES AND EXTENSIONS (Continued)

Last Eight Tax Levy Years

Tax Levy Year	2024	2023	2022	2021	2020	2019	2018	2017
TOTAL TAX EXTENSIONS								
McHenry County								
General	\$ 6,053,840	\$ 5,939,160	\$ 5,505,031	\$ 5,009,019	\$ 4,913,430	\$ 4,723,356	\$ 4,729,188	\$ 4,797,635
Bond and interest	-	-	-	-	-	-	-	841,163
Building maintenance	311,057	295,670	273,141	252,107	244,398	235,220	207,654	189,813
IMRF	306,203	145,405	144,511	344,838	360,012	357,478	305,576	215,696
Audit	11,661	9,688	14,450	11,491	11,526	11,440	8,511	-
Liability insurance	58,338	67,859	48,170	14,367	198	66,735	58,333	45,296
Social Security	213,867	169,640	216,747	220,319	216,004	214,487	170,267	124,026
Total McHenry County	<u>6,954,966</u>	<u>6,627,422</u>	<u>6,202,050</u>	<u>5,852,141</u>	<u>5,745,568</u>	<u>5,608,716</u>	<u>5,479,529</u>	<u>6,213,629</u>
Kane County								
General	163,558	160,616	160,390	147,997	143,448	136,180	135,492	133,201
Bond and interest	-	-	-	-	-	-	-	24,277
Building maintenance	8,421	8,019	7,970	7,454	7,149	6,782	5,950	5,406
IMRF	8,289	3,944	4,217	10,196	10,531	10,306	8,755	8,529
Audit	316	263	422	340	337	330	244	292
Liability insurance	1,579	1,840	1,406	425	281	1,924	1,671	1,706
Social Security	5,790	4,602	6,325	6,514	6,318	6,184	4,878	4,386
Total Kane County	<u>187,953</u>	<u>179,284</u>	<u>180,730</u>	<u>172,926</u>	<u>168,064</u>	<u>161,706</u>	<u>156,990</u>	<u>177,797</u>
TOTAL TAX EXTENSIONS	<u>\$ 7,142,919</u>	<u>\$ 6,806,706</u>	<u>\$ 6,382,780</u>	<u>\$ 6,025,067</u>	<u>\$ 5,913,632</u>	<u>\$ 5,770,422</u>	<u>\$ 5,636,519</u>	<u>\$ 6,391,426</u>

(See independent auditor's report.)