MORRIS AREA PUBLIC LIBRARY DISTRICT
MORRIS, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2026

MORRIS AREA PUBLIC LIBRARY DISTRICT
TABLE OF CONTENTS

	Page(s)
INDEPENDENT AUDITORS' REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Governmental Funds	
Balance Sheet	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	9
Notes to the Financial Statements	10-27
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	28-30
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Project Fund	31
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - IMRF Fund	32
Schedule of Employer Contributions - Illinois Municipal Retirement Fund	33
Schedule of Funding Progress - Illinois Municipal Retirement Fund	34
Notes to Required Supplementary Information	35
NON-MAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet - Special Revenue Funds	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds	37
SUPPLEMENTARY INFORMATION	
Tax Levy	38

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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Trustees
Morris Area Public Library District
Morris, Illinois

Opinions

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Morris Area Public Library District, (the District) as of and for the year ended June 30, 2026, 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, each major fund, and the aggregate remaining fund information of the Morris Area Public Library District, as of June 30, 2026, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Morris Area Public Library District, Illinois 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 Morris Area Public Library District, Illinois ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Tri County Management
Assurance Services, P.C.
Certified Public Accountant

Morris, Illinois
November 9, 2026

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

MORRIS AREA PUBLIC LIBRARY DISTRICT

STATEMENT OF NET POSITION

June 30, 2026

ASSETS		
Current		
Cash and Investments	$	1,702,180
Property Taxes Receivable		1,206,944
Net Pension Asset		261,769
Total Current Assets		3,170,893
Noncurrent		
Land		179,291
Building, Improvements, and Equipment		4,248,821
Less: Accumulated Depreciation		(944,894)
Total Noncurrent Assets		3,483,218
Total Assets		6,654,111
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows, IMRF		141,356
Total Deferred Outflows of Resources		141,356
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	6,795,467
LIABILITIES		
Current		
Payroll Liabilities	$	23,197
Credit Card Payable		8,529
General Obligation Bond		160,000
Noncurrent		
General Obligation Bond		1,510,000
Total Liabilities		1,701,726
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Taxes		1,206,944
Deferred Inflow, IMRF		268,044
Total Deferred Inflows of Resources		1,474,988
Total Liabilities and Deferred Inflows of Resources		3,176,714
NET POSITION		
Net Investment in Capital Assets		3,483,218
Restricted		
Capital Projects		-
Special Revenues		197,069
Unrestricted		(61,534)
Total Net Position		3,618,753
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	6,795,467

See accompanying notes to financial statements.

MORRIS AREA PUBLIC LIBRARY DISTRICT

STATEMENT OF ACTIVITIES

June 30, 2026

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Total
Governmental Activities				
Culture and Recreation	$ 1,171,592	$ 22,807	$ 39,312	$ (1,109,473)
TOTAL PRIMARY GOVERNMENT	1,171,592	22,807	39,312	(1,109,473)
General Revenues				
Taxes				
Property Taxes				1,178,315
Replacement Taxes				19,331
Investment Income				58,275
Special Event Income				8,671
Miscellaneous Income				2,975
Total				1,267,567
CHANGE IN NET POSITION				158,094
NET POSITION, JULY 1				6,041,346
PRIOR PERIOD ADJUSTMENT				(2,580,687)
NET POSITION, JULY 1 RESTATED				3,460,659
NET POSITION, JUNE 30				$ 3,618,753

See accompanying notes to financial statements.

MORRIS AREA PUBLIC LIBRARY DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2026

	General Fund	Capital Projects Fund	IMRF Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 1,483,736	$ -	$ 185,932	$ 32,512	$ 1,702,180
Property Taxes Receivable	1,142,608	-	1,019	63,317	1,206,944
TOTAL ASSETS	$ 2,626,344	$ -	$ 186,951	$ 95,829	$ 2,909,124
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Payroll Liabilities	$ 1,822	$ -	$ 21,375	$ -	$ 23,197
Credit Card Payable	8,529	-	-	-	8,529
Total Liabilities	10,351	-	21,375	-	31,726
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	1,142,608	-	1,019	63,317	1,206,944
Total Deferred Inflows of Resources	1,142,608	-	1,019	63,317	1,206,944
Total Liabilities and Deferred Inflows of Resources	1,152,959	-	22,394	63,317	1,238,670
FUND BALANCES					
Restricted					
Special Revenues	-	-	164,557	32,512	197,069
Unrestricted					
Unassigned	1,473,385	-	-	-	1,473,385
Total Fund Balances	1,473,385	-	164,557	32,512	1,670,454
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,626,344	$ -	$ 186,951	$ 95,829	$ 2,909,124

See accompanying notes to financial statements.

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

June 30, 2026

FUND BALANCES OF GOVERNMENTAL FUNDS	$	1,670,454
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		3,483,218
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		(1,670,000)
Net pension liabilites are not due and payable in the current period and, therefore, are not reported in the governmental funds		261,769
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the governmental funds		(126,688)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	3,618,753

See accompanying notes to financial statements.

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

For the Year Ended June 30, 2026

	General Fund	Capital Projects Fund	Special Revenue IMRF Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	$ 1,110,321	$ -	$ 2,078	$ 65,916	$ 1,178,315
Replacement Taxes	19,331	-	-	-	19,331
Grants	36,087	-	-	-	36,087
Nonresident Fees	1,232	-	-	-	1,232
Book Fines	3,086	-	-	-	3,086
Copy Machine and Fax Fees	7,948	-	-	-	7,948
Other Library Services	10,541	-	-	-	10,541
Interest Income	54,050	4,225	-	-	58,275
Donations and Memorials	3,225	-	-	-	3,225
Special Event Income	8,671	-	-	-	8,671
Other Revenues	2,975	-	-	-	2,975
Total Revenues	1,257,467	4,225	2,078	65,916	1,329,686
EXPENDITURES					
Current					
Culture and Recreation					
Personnel	636,608	-	18,513	43,323	698,444
Contractual Services	180,053	-	-	20,931	200,984
Commodities	73,695	-	-	-	73,695
Other Expenses	104,694	-	-	-	104,694
Capital Outlay	4,969	1,994,098	-	-	1,999,067
Debt Service	163,380	-	-	-	163,380
Total Expenditures	1,163,399	1,994,098	18,513	64,254	3,240,264
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	94,068	(1,989,873)	(16,435)	1,662	(1,910,578)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	1,841,288	-	-	1,841,288
Transfers (Out)	(1,841,288)	-	-	-	(1,841,288)
Total Other Financing Sources (Uses)	(1,841,288)	1,841,288	-	-	-
NET CHANGE IN FUND BALANCES	(1,747,220)	(148,585)	(16,435)	1,662	(1,910,578)
FUND BALANCE, JULY 1	5,801,292	148,585	180,992	30,850	6,161,719
PRIOR PERIOD ADJUSTMENT	(2,580,687)	-	-	-	(2,580,687)
FUND BALANCE, JULY 1 RESTATED	3,220,605	148,585	180,992	30,850	3,581,032
FUND BALANCES, JUNE 30	$ 1,473,385	$ -	$ 164,557	$ 32,512	$ 1,670,454

See accompanying notes to financial statements.

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

For the Year Ended June 30, 2026

NET CHANGE IN FUND BALANCES TOTAL GOVERNMENTAL FUNDS	$	(1,910,578)
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 in the statement of activities		1,994,098
The change in the long-term liability is reported as an expense on the statement of activities		115,000
The change in the net pension asset is reported as an expense on the statement of activities		244,555
The change in the deferred outflow/inflow is reported as an expense on the statement of activities		(196,914)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(88,067)
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	158,094

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Morris 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 financial 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) governed by an elected Board of Trustees. These financial statements present the District's reporting entity as required by generally accepted accounting principles. The District is considered to be a primary government since the 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.

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 the District's general activities, including the collection and disbursement of restricted, committed, or assigned funds (special revenue funds), the funds restricted, committed, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds restricted, committed, or assigned for the servicing of general long-term debt (debt service funds) and management of funds held in trust that can be used for library services (permanent fund). The general fund is used to account for all activities of the District not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements 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, if any, which rely to a significant extent on fees and charges for support.

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 contributions 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 general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to accumulate monies for capital projects and improvements of the District.

The IMRF Fund is a special revenue fund that accounts for all costs in relation to funding retirement expense.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. All other revenues are considered 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, interest revenue, and charges for services are all considered to be susceptible to accrual and recognized as revenues of the current fiscal period. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The District reports unavailable/deferred revenue and unearned revenue on its financial statements. Unearned/deferred 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. Deferred revenues also arise when resources are received by the government 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 the revenue recognition criteria are met, or when the government has a legal claim to the resources, the unavailable/unearned/deferred revenue is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

f. Prepaid Item/Expenses

Prepaids are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

g. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable 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 estimated fair market value at the date of donation.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

Assets	Years
Buildings and improvements	20-50
Furniture, fixtures, and equipment	5-15

h. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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. Bond issuance costs are expensed as incurred.

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 form the actual debt proceeds received, are reported as expenditures.

i. Deferred Outflows/Inflows of Resources

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

j. Interfund Transactions

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/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, which is considered the District's highest level of decision making authority. Formal actions include ordinances approved by the Board. Assigned fund balance represents 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. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances in any other governmental funds are also reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. 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.

The various Special Revenue Funds supported by property taxes are restricted due to the restricted revenue streams of the fund balance. These funds also target no less than three months of operating expenditures be included in unassigned fund balance for fiscal sustainability. Other funds are restricted due to the nature of the contributions to the fund.

In the government-wide financial statements, restricted net positions are 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 the capital assets less outstanding principal balances of debt issued to construct or acquire the capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

   l. Accounting Estimates

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditure/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 statement of net position as "cash and investments."

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

The Illinois Public Treasurers' Investment Pool, known as 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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits with Financial Institutions

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. To guard against credit risk for deposits with financial institutions, the District's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral of at least 110% of the deposits at institution held by an independent third party in the name of the District.

At June 30, 2026, the carrying amount of the District's deposits totaled $1,702,180, and the bank balances totaled $1,729,539. Additionally, at year-end, the District has $166,215 invested in the Illinois Funds.

b. Investments

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 that deposit with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the District. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Illinois Funds is not subject to custodial credit risk.

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by investing in primarily short-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio. However, investment purchases mirror daily cash flow needs. Consequently, there is no limit attached to the maturity dates of the investment purchases as a means of managing the District's exposure to fair value losses arising from increasing interest rates.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments (Continued)

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District's investment policy does not mitigate credit risk. At year-end, the District's investments in the Illinois Funds were rated AAAm by Standard & Poor's.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District's investment policy does not mitigate concentration of credit risk. However, at year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 179,291	$ -	$ -	$ 179,291
Construction in Progress	110,301	-	110,301	-
Capital assets being depreciated				
Building and improvements	1,922,241	2,104,399	-	4,026,640
Equipment	222,181	-	-	222,181
Total capital assets being depreicated	2,144,422	2,104,399	-	4,248,821
Less accumulated depreciation for				
Building and improvements	655,602	80,532	-	736,134
Equipment	201,225	7,535	-	208,760
Total accumulated depreciation	856,827	88,067	-	944,894
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 1,577,187	$ 2,016,332	$ 110,301	$ 3,483,218

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

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	$ 88,067

5. RECEIVABLE – TAXES

Property taxes for 2025 attach as an enforceable lien on January 1, 2025, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2026 and are payable in two installments, on or about June 1, 2026 and September 1, 2026. The County collects such taxes and remits them periodically. As the 2025 tax levy is intended to fund expenditures for none of fiscal year 2026, these taxes are unearned as of June 30, 2026.

6. RESERVE FOR CAPITAL PROJECTS

On May 4, 1998, the Board of Trustees passed an ordinance to establish a Special Reserve Fund. Unexpended General Funds may be annually transferred to the Special Reserve fund for the purpose of accumulating funds to be used for the improvement of the current site, purchase of property for parking and future building expansion, or for repairs to the existing site. As of June 30, 2026 Special Reserve Funds of $56,288 are shown as a deficit in the Capital Projects Fund.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The amount of coverage has not decreased nor have the amount of settlements from these risks exceeded commercial insurance coverage for any of the past three fiscal years.

8. INDIVIDUAL FUND DISCLOSURES

There was a transfer from General Fund to Capital Projects Fund of $1,841,288 for the year ending June 30, 2026 for the purpose of the construction project of expanding the library that was completed as of the fiscal year-end.

9. LONG-TERM DEBT

a. Long-term Liabilities

As of June 30, 2026, the District had outstanding general obligation bonds of $1,670,000. During the year, principal payments of $115,000 were made. General obligation bonds are liquidated by the General Fund. The following table summarized changes in long-term debt during the year ended June 30, 2026.

	Beginning Balances	Increases	Decreases	Ending Balances	Due within 1 year
GOVERNMENTAL ACTIVITIES					
Long-term Liabilities					
General Obligation Bond	$ 1,785,000	$ -	$ 115,000	$ 1,670,000	$ 160,000
Total Long-term Liabilities	1,785,000	-	115,000	1,670,000	160,000

Annual Debt Service to Maturity for outstanding long-term liabilities as of June 30, 2026 as as follows:

Fiscal Year Ending	Principal	Interest	Total
2027	160,000	61,958	221,958
2028	165,000	56,022	221,022
2029	170,000	49,900	219,900
2030	180,000	43,592	223,592
2031	185,000	36,914	221,914
2032-2036	810,000	76,611	886,611
	$ 1,670,000	$ 324,997	

b. Legal Debt Margin

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

9. LONG-TERM DEBT (Continued)

b. Legal Debt Margin (Continued)

Assessed Valuation - 2025	$	783,628,163
Legal Debt Limit - 2.875% of Assessed Value	$	22,529,310
Amount of Debt Applicable to Limit		1,670,000
Legal Debt Margin	$	20,859,310

10. DEFINED BENEFIT PENSION PLAN

The District's contributes to a defined benefit pension plan: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF's plan does not issue a separate report for the plan. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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, 2025, IMRF membership consisted of:

Retirees and beneficiaries	13
Inactive, non-retired members	21
Active plan members	11
TOTAL	45

10. DEFINED BENEFIT PENSION PLAN (Continued)

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. The final rate of earnings is the highest total earnings during one consecutive 48 moths within the last 10 year of IMRF services divided by 48.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 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. The final rate of earnings is the highest total earnings during any consecutive 96 months within the last 10 years of IMRF service, divided by 96.

Contributions

The District employees participating in IMRF are required to contribute 4.5% of their annual eligible covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2025 was 4.22% of payroll. The District's contribution requirements are established and may be amended by the IMRF Board of Trustees.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2025 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.

10. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial valuation date	December 31, 2025
Actuarial cost method	Aggregate Entry Age Normal
Assumptions	
Inflation	2.25%
Salary increases	2.75% to 13.75%
Investment rate of return	7.25%
Wage growth	2.75%
Asset valuation method	5-Year smoothed market; 20% corridor

Net Pension

For nondisabled retirees, disabled retirees, and active members, an IMRF specific mortality table was used with fully generational projection scale MP-2021. Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

Discount Rate

The discount rate used to measure the total pension liability 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's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

10. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2025	$ 2,450,345	$ 2,467,559	$ (17,214)
Changes for the period			
Service cost	37,506	-	37,506
Interest	172,288	-	172,288
Difference between expected and actual experience	19,096	-	19,096
Changes in assumptions	-	-	-
Employer contributions	-	18,229	(18,229)
Employee contributions	-	19,439	(19,439)
Net investment income	-	398,511	(398,511)
Benefit payments and refunds	(185,411)	(185,411)	-
Other	-	37,266	(37,266)
Net changes	43,479	288,034	(244,555)
Balances at December 31, 2025	$ 2,493,824	$ 2,755,593	$ (261,769)

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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 net 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 Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	$ (37,852)	$ (261,769)	$ (437,719)

10. DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2026, the District recognized pension income of $28,388. At June 30, 2026, 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	$ 10,609	$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	120,101	268,044
Contributions after measurement date	10,646	-
TOTAL	$ 141,356	$ 268,044

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

$137,334 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2026.

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

Year Ending December 31	Net Deferred Outflows of Resources
2026	47,474
2027	(78,992)
2028	(61,094)
2029	(44,722)
2030	-
Thereafter	-
TOTAL	$ (137,334)

11. CONTINGENT LIABILITIES

a. Litigation

The District can be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

b. Grants

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

12. RESTRICTED NET POSITION

Restricted net position represents net position whose use is subject to constraints that are either: (1) externally imposed by creditors, grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

13. PRIOR PERIOD ADJUSTMENT

During the current fiscal year, management determined that an endowment fund previously reported as an asset and included in fund balance was held by an external organization and is not owned or controlled by the District. Accordingly, the endowment does not meet the criteria for recognition in the District's financial statements.

As a result, beginning fund balance/net position has been restated to remove the previously reported endowment balance. The correction reduced beginning fund balance by $2,580,687 as of July 1, 2025.

14. FUND BALANCES

Classifications
Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2026, are as follows:

Classification/Fund	Purpose	Amount
Restricted:		
IMRF Fund	IMRF retirement costs	$ 164,557
Social Security Fund	Social security payroll costs	10,838
Audit Fund	Annual audit costs	2,380
Insurance Fund	Insurance and risk management costs	7,717
Worker's Comp Fund	Risk management costs	11,577
Total Restricted		197,069
Unassigned:		
General Fund		1,473,385
Total Unassigned		1,473,385

15. SUBSEQUENT EVENT

Management evaluated subsequent events through November 9, 2026, the date the financial statements were available to be issued. No events requiring adjustment to or disclosure in the financial statements were identified during this period.

REQUIRED SUPPLEMENTARY INFORMATION

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Actual
REVENUES			
Property Taxes	$ 1,077,453	$ 1,077,453	$ 1,110,321
Replacement Taxes	41,457	41,457	19,331
Per Capita Grant	27,898	27,898	27,898
Other Grants	8,000	8,000	8,189
Nonresident Fees	2,250	2,250	1,232
Book Fines	1,280	1,280	3,086
Copy Machine and Fax Fees	4,682	4,682	7,948
Other Library Services	7,070	7,070	6,271
Passport Services	7,428	7,428	4,270
Interest Income	42,801	42,801	54,050
Donations and Memorials	91,051	91,051	3,225
Special Events Income	6,893	6,893	8,671
Other Revenues	23,384	23,384	2,975
Total Revenues	1,341,647	1,341,647	1,257,467
EXPENDITURES			
Personnel			
Salaries - Staff	609,000	571,000	569,591
Professional Development	10,200	10,200	9,070
Tuition Reimbursement	-	-	3,237
Group Insurance	54,108	54,108	54,710
Total Personnel	673,308	635,308	636,608
Contractual Services			
Maintenance - Buildings	35,000	35,000	27,291
Telephone and Internet	6,500	6,500	6,337
Utilities	43,800	43,800	45,450
Postage	2,700	2,700	1,172
Copy Machine Maintenance	4,000	4,000	4,943
Janitorial Service	23,000	23,000	17,617
Legal Fees	6,000	31,000	29,001
Consulting Fees	12,000	37,000	22,058
Payroll Expense	6,600	6,600	26,184
Total Contractual Services	139,600	189,600	180,053

(See independent auditor's report.)

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Commodities			
Office Supplies	$ 5,000	$ 5,000	$ 4,014
Janitorial Supplies	4,000	4,000	3,136
Books and Audiobooks	42,000	42,000	38,306
Periodicals	3,000	3,000	3,921
Online Database	20,000	20,000	18,340
DVDs, CDs, Software	4,600	4,600	3,593
E-Content	1,200	1,200	2,385
Total Commodities	79,800	79,800	73,695
Other Expenses			
Contingencies	50,000	-	-
Treasurer Bond	1,000	1,000	385
Publicity and Public Relations	4,000	4,000	4,360
Annual Inspection	10,000	10,000	3,775
Technology Expense	16,400	16,400	13,902
Online Catalog	21,000	21,000	19,227
Landscaping & Snow Removal	8,000	8,000	5,282
Donations & Memorials	32,898	70,898	36,156
Programs	12,100	12,100	12,775
Special Events Expense	6,893	6,893	6,541
Bank & Investment Fees	1,000	1,000	940
Miscellaneous	2,100	2,100	1,351
Total Other Expenses	165,391	153,391	104,694
Capital Outlay			
Furniture and Fixtures	6,000	6,000	4,969
Building and Grounds Improvement	30,000	30,000	-
Total Capital Outlay	36,000	36,000	4,969
Debt Service			
Principal	115,000	115,000	115,000
Interest	48,380	48,380	48,380
Bond Issuance Costs	-	-	-
Total Debt Service	163,380	163,380	163,380
Total Expenditures	1,257,479	1,257,479	1,163,399

(See independent auditor's report.)

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Actual
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 84,168	$ 84,168	$ 94,068
OTHER FINANCING SOURCES (USES)			
Transfers	-	-	(1,841,288)
Total Other Financing Sources (Uses)	-	-	(1,841,288)
NET CHANGE IN FUND BALANCE	$ 84,168	$ 84,168	(1,747,220)
FUND BALANCE, JULY 1			5,801,292
PRIOR PERIOD ADJUSTMENT			(2,580,687)
FUND BALANCE, JULY 1 - RESTATED			3,220,605
FUND BALANCE, JUNE 30			$ 1,473,385

(See independent auditor's report.)

MORRIS AREA PUBLIC LIBRARY DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
REVENUES		
Interest Income	$ -	$ 4,225
Total Revenues	-	4,225
EXPENDITURES		
Capital Outlay		
Building and Grounds Improvement	2,000,000	1,994,098
Total capital outlay	2,000,000	1,994,098
Total Expenditures	2,000,000	1,994,098
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,000,000)	(1,989,873)
OTHER FINANCING SOURCES (USES)		
Transfers	-	1,841,288
NET CHANGE IN FUND BALANCE	$ (2,000,000)	(148,585)
FUND BALANCE, JULY 1		148,585
FUND BALANCE, JUNE 30		$ -

(See independent auditor's report.)

MORRIS AREA PUBLIC LIBRARY DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE - IMRF FUND

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ 1,990	2,078
Total Revenues	1,990	2,078
EXPENDITURES		
Personnel		
Employee Retirement Costs	39,000	18,513
Total Personnel	39,000	18,513
Total Expenditures	39,000	18,513
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(37,010)	(16,435)
OTHER FINANCING SOURCES (USES)		
Transfers	-	-
NET CHANGE IN FUND BALANCE	$ (37,010)	(16,435)
FUND BALANCE, JULY 1		180,992
FUND BALANCE, JUNE 30		$ 164,557

(See independent auditor's report.)

MORRIS AREA PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2025*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 20,036	$ 18,709	$ 9,695	$ 20,288	$ 27,035	$ 33,276	$ 29,339	$ 45,966	$ 27,392	$ 54,538
Contributions in relation to the actuarially determined contribution	18,229	18,709	9,695	20,288	27,035	33,276	34,625	45,966	162,393	54,538
CONTRIBUTION DEFICIENCY (Excess)	$ 1,807	$ -	$ -	$ -	$ -	$ -	$ (5,286)	$ -	$ (135,001)	$ -
Covered-employee payroll	$ 474,790	$ 405,839	$ 390,911	$ 360,995	$ 273,080	$ 326,557	$ 339,572	$ 308,705	$ 245,672	$ 311,825
Contributions as a percentage of covered-employee payroll	3.84%	4.61%	2.48%	5.62%	9.90%	10.19%	10.20%	14.89%	66.10%	17.49%

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 percentage of pay, closed and the amortization period was 18 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

*IMRF's measurement date is December 31, 2025; therefore information above is presented for the calendar year ended December 31, 2025.

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

December 31, 2025*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 37,506	$ 32,507	$ 33,265	$ 25,484	$ 26,816	$ 34,511	$ 26,200	$ 22,519	$ 24,026	$ 37,693
Interest	172,288	170,613	168,055	164,220	161,948	164,205	154,420	155,133	157,132	144,332
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	19,096	275	17,045	41,961	31,950	(29,611)	115,968	(14,246)	3,151	136,560
Changes of assumptions	-	-	(3,334)	-	-	(18,755)	-	51,505	(64,810)	(4,817)
Benefit payments, including refunds of member contributions	(185,411)	(180,170)	(178,555)	(186,753)	(190,675)	(164,586)	(166,993)	(143,513)	(147,298)	(135,522)
Net change in total pension liability	43,479	23,225	36,476	44,912	30,039	(14,236)	129,595	71,398	(27,799)	178,246
Total Pension Liability - Beginning	2,450,345	2,427,120	2,390,644	2,345,732	2,315,693	2,329,929	2,200,334	2,128,936	2,156,735	1,978,489
Total Pension Liability - Ending	$ 2,493,824	$ 2,450,345	$ 2,427,120	$ 2,390,644	$ 2,345,732	$ 2,315,693	$ 2,329,929	$ 2,200,334	$ 2,128,936	$ 2,156,735
Plan Fiduciary Net Position										
Contributions - employer	$ 18,229	$ 18,709	$ 9,695	$ 20,288	$ 27,035	$ 33,276	$ 34,625	$ 45,966	$ 162,393	$ 54,538
Contributions - member	19,439	19,029	17,591	21,319	12,289	18,140	15,281	13,892	11,055	14,032
Net investment income	398,511	250,350	260,534	(402,839)	446,459	343,803	395,051	(149,600)	346,280	107,073
Benefit payments, including refunds of member contributions	(185,411)	(180,170)	(178,555)	(186,753)	(190,675)	(164,586)	(166,993)	(143,513)	(147,298)	(135,522)
Other	37,266	(71,202)	65,857	9,191	6,176	14,124	24,777	53,969	(48,904)	64,759
Net change in plan fiduciary net position	288,034	36,716	175,122	(538,794)	301,284	244,757	302,741	(179,286)	323,526	104,880
Plan Fiduciary Net Position - Beginning	2,467,559	2,430,843	2,255,721	2,794,515	2,493,231	2,248,474	1,945,733	2,125,019	1,801,493	1,696,613
Plan Fiduciary Net Position - Ending	$ 2,755,593	$ 2,467,559	$ 2,430,843	$ 2,255,721	$ 2,794,515	$ 2,493,231	$ 2,248,474	$ 1,945,733	$ 2,125,019	$ 1,801,493
Employer's Net Pension Liability (Asset)	$ (261,769)	$ (17,214)	$ (3,723)	$ 134,923	$ (448,783)	$ (177,538)	$ 81,455	$ 254,601	$ 3,917	$ 355,242
Plan fiduciary net position as a percentage of the total pension liability (asset)	110.50%	100.70%	100.15%	94.36%	119.13%	107.67%	96.50%	88.43%	99.82%	83.53%
Covered-employee payroll	$ 474,790	$ 405,839	$ 390,911	$ 360,995	$ 273,080	$ 326,557	$ 339,572	$ 308,705	$ 245,672	$ 311,825
Employer's net pension liability as a percentage of covered-employee payroll	-55.13%	-4.24%	-0.95%	37.38%	-164.34%	-54.37%	23.99%	82.47%	1.59%	113.92%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

*IMRF's measurement date is December 31, 2025; therefore information above is presented for the calendar year ended December 31, 2025.

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted (at the fund level) for the General, Audit, Social Security, IMRF, Insurance, and Capital Projects Funds. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The management prepares and submits to the Board a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. Annual budgets are adopted for the General Fund on a basis consistent with GAAP. The legal level of budgetary control is at the fund level.

2. The proposed operating budget is adopted by the Board at a public meeting.

3. Any amendments to the budget must be adopted by the Board at a public meeting.

4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board. The budget was amended for the year ended June 30, 2026 on June 8, 2026.

NONMAJOR GOVERNMENTAL FUNDS

MORRIS AREA PUBLIC LIBRARY DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2026

	Special Revenue Funds				
	Social Security Fund	Audit Fund	Insurance Fund	Workers Compensation	Totals
ASSETS					
Cash	$ 10,838	$ 2,380	$ 7,717	$ 11,577	$ 32,512
Prepaid Insurance	-	-	-	-	-
Property Taxes Receivable	50,074	3,056	10,030	157	63,317
TOTAL ASSETS	$ 60,912	$ 5,436	$ 17,747	$ 11,734	$ 95,829
DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	$ 50,074	$ 3,056	$ 10,030	$ 157	$ 63,317
Total Deferred Inflows of Resources	50,074	3,056	10,030	157	63,317
FUND BALANCES					
Restricted					
Special Revenues	10,838	2,380	7,717	11,577	32,512
Unrestricted					
Unassigned	-	-	-	-	-
Total Fund Balances	10,838	2,380	7,717	11,577	32,512
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 60,912	$ 5,436	$ 17,747	$ 11,734	$ 95,829

(See independent auditor's report.)

MORRIS AREA PUBLIC LIBRARY DISTRICT

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

For the Year Ended June 30, 2026

	Special Revenue Funds				
	Social Security Fund	Audit Fund	Liability Insurance Fund	Workman's Compensation	Totals
REVENUES					
Property Taxes	$ 41,049	$ 4,157	$ 20,562	$ 148	$ 65,916
Total Revenues	41,049	4,157	20,562	148	65,916
EXPENDITURES					
Culture and Recreation					
Personnel					
Social Security	43,323	-	-	-	43,323
Contractual Services					
Professional Fees	-	4,000	-	-	4,000
Insurance Expenses	-	-	15,827	1,104	16,931
Total Expenditures	43,323	4,000	15,827	1,104	64,254
NET CHANGES IN FUND BALANCES	(2,274)	157	4,735	(956)	1,662
FUND BALANCES, JULY 1	13,112	2,223	2,982	12,533	30,850
FUND BALANCES, JUNE 30	$ 10,838	$ 2,380	$ 7,717	$ 11,577	$ 32,512

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

MORRIS AREA PUBLIC LIBRARY DISTRICT

Property Tax Assessed Valuations, Rates, Extensions, and Collections
June 30, 2026

Tax Levy Year	2025		2024	
Assessed Valuation	Grundy County 783,628,163		Grundy County 723,977,421	
	Rate	Amount	Rate	Amount
Tax Extensions				
Corporate	0.14581	$ 1,142,608	0.14958	$ 1,082,925
I.M.R.F	0.00013	1,019	0.00028	2,027
Social Security	0.00639	50,074	0.00553	40,036
Liability Insurance	0.00128	10,030	0.00277	20,054
Audit	0.00039	3,056	0.00056	4,054
Workman's Comp.	0.00002	157	0.00002	145
	0.15402	1,206,944	0.15874	1,149,242
Total Grundy Extension		$ 1,206,944		$ 1,149,242
Tax collections:				
year ended June 30, 2026		$ -		$ 1,178,315
Previous Years		-		-
		$ -		$ 1,178,315
Percent Collected		0.0%		102.5%

Property tax rates are per $100 of assessed valuation. Assessed valuation, rates and extended amounts of property taxes levied have been presented for each of the counties for which the District files a property tax levy.

(See independent auditors' report.)