CRETE PUBLIC LIBRARY DISTRICT

CRETE, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2026

CRETE PUBLIC LIBRARY DISTRICT

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

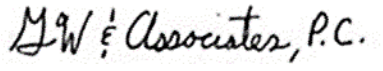
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of changes in the District's net pension liability and related ratios – IMRF, and schedule of District contributions – IMRF on pages 3-9 and 30-35 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.

Other 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 combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Hillside, Illinois
November 18, 2026

As management of the Crete Public Library District (the "District") we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2026. We encourage readers to read this information in conjunction with the District's financial statements.

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Crete Public Library District, 1177 N. Main Street, Crete, Illinois 60417.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the District's financial statements. The basic financial statements include the Governmental Funds Balance Sheet and Statement of Net Position, Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities, and Notes to Financial Statements.

Government-wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the District's overall status.

The Statement of Net Position includes all of the District's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Increases and decreases in net position serve as a useful indicator of change in net position and whether the financial position of the District as a whole is improving or deteriorating. Non-financial factors, such as changes in the District's property tax base and condition of the District's buildings and equipment, should be considered regarding the overall health of the District.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of this statement is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Fund Financial Statements

A fund is a group of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while all other funds are combined into a single aggregated presentation.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's

governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and the balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the short-term.

Both the Governmental Funds Balance Sheet and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to assist in understanding the difference between the government-wide and fund financial statements.

In addition to the basic financial statements, notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

Budgetary comparison schedules are also provided as required supplementary information, which is useful in comparing how District expenditures were made in comparison to budgeted amounts.

Condensed Statement of Net Position

CONDENSED STATEMENT OF NET POSITION

	June 30, 2026	%	June 30, 2025	%	Increase (Decrease)	%
Assets:						
Current assets:						
Cash and investments	$ 4,521,736	59.6%	$ 4,191,910	56.3%	$ 329,826	7.9%
Property tax receivables	1,111,019	14.7%	1,065,300	14.3%	45,719	4.3%
Other receivables	1,095	0.0%	871	0.0%	224	25.7%
Total current assets	5,633,850	74.3%	5,258,081	70.6%	375,769	7.1%
Capital assets	1,746,969	23.0%	1,914,488	25.7%	(167,519)	-8.8%
Total assets	7,380,819	97.3%	7,172,569	96.3%	208,250	2.9%
Deferred outflows of resources	202,167	2.7%	275,969	3.7%	(73,802)	-26.7%
Total assets and deferred outflows of resources	7,582,986	100.0%	7,448,538	100.0%	134,448	1.8%
Liabilities:						
Current liabilities	119,940	3.6%	120,528	3.7%	(588)	-0.5%
Net pension liability	854,519	25.4%	966,424	30.0%	(111,905)	-11.6%
Total liabilities	974,459	29.0%	1,086,952	33.8%	(112,493)	-10.3%
Deferred inflows of resources	2,386,700	71.0%	2,130,827	66.2%	255,873	12.0%
Total liabilities and deferred inflows of resources	3,361,159	100.0%	3,217,779	100.0%	143,380	4.5%
Net position:						
Net investment in capital assets	1,746,969	41.4%	1,914,488	45.3%	(167,519)	-8.8%
Restricted	631,230	15.0%	618,454	14.6%	12,776	2.1%
Unrestricted	1,843,628	43.7%	1,697,817	40.1%	145,811	8.6%
Total net position	4,221,827	100.0%	4,230,759	100.0%	(8,932)	-0.2%
Total liabilities, deferred inflows of resources and net position	$ 7,582,986		$ 7,448,538		$ 134,448	

Overall, current assets increased by $375,769. The increase was primarily due the increase in cash and investments of $329,826 which stemmed from a $301,788 net change in fund balances among all funds along with changes in receivables and payables in the current year.

Capital assets, net of accumulated depreciation, decreased by $167,519 during the fiscal year. This was mainly due to depreciation expense exceeding asset additions. Notable capital asset additions in the current year included HVAC system upgrades, staff lounge area refurbishments and new additions to the library's collection.

Noncurrent liabilities decreased in total by $111,905 to $854,519. The balance is solely comprised of the net pension liability related to the Library's participation in the Illinois Municipal Retirement Fund multi-

employer defined benefit pension plan. The decrease is attributed to the increase in pension assets exceeding the increase in total pension liability in the current year.

Deferred outflows and inflows related to IMRF also experienced a significant change in the current year. The deferred outflow amount decreased by $73,802, which was primarily the result of the net difference between projected and actual earnings on pension plan investments which was $93,826 in the prior year and is $0 as of June 30, 2026. Furthermore, as actuarially determined, the difference between expected and actual experience increased to $135,909 from $108,792 in the current year. For deferred inflows, the net difference between projected and actual earnings on pension plan investments amount is $189,098 as of year-end, which was a majority of the increase for deferred inflows in the current year. In addition, an increase in deferred inflows of resources for property taxes was also noted due to an increase in the 2025 tax levy coupled with the timing of tax receipts compared to the prior year.

Condensed Statement of Activities

The statement of activities shows the nature and source of the changes in net position. The following summarizes the revenue and expenses of the District's governmental activities for fiscal year ended June 30, 2026. Governmental activities decreased the District's net position by $8,932.

CONDENSED STATEMENT OF ACTIVITIES

	June 30, 2026	%	June 30, 2025	%	Increase (Decrease)	%
Revenues:						
General Revenues:						
Property taxes	$ 2,135,830	88.4%	$ 2,050,973	86.4%	$ 84,857	4.1%
Replacement taxes	5,563	0.2%	5,053	0.2%	510	10.1%
Fines and fees	19,676	0.8%	19,283	0.8%	393	2.0%
Grants	28,381	1.2%	25,392	1.1%	2,989	11.8%
Gifts and donations	18,021	0.7%	20,237	0.9%	(2,216)	-11.0%
Investment income	141,636	5.9%	184,437	7.8%	(42,801)	-23.2%
Miscellaneous	66,962	2.8%	67,201	2.8%	(239)	-0.4%
Total revenues	2,416,069	100.0%	2,372,576	100.0%	43,493	1.8%
Expenses:						
Cultural	2,425,001	100.0%	2,108,923	100.0%	316,078	15.0%
Total expenses	2,425,001	100.0%	2,108,923	100.0%	316,078	15.0%
Change in net position	(8,932)		263,653		(272,585)	
Net position, beginning of year	4,230,759		3,967,106		263,653	6.6%
Net position, end of year	$ 4,221,827		$ 4,230,759		$ (8,932)	-0.2%

The overall increase in revenue was due to a rise in property tax collections which was offset by a decrease in investment income. The decrease in investment income was primarily due to the closure of the Wintrust investment bank accounts during the year.

The increase in cultural expenses from June 30, 2025 to June 30, 2026 was mainly due to increases in maintenance costs ($29,000), consulting fees ($12,000), and salaries and benefits ($58,000) in the current fiscal year. Additionally, capital asset depreciation exceeded the capitalization of assets in the current year by $168,000, further increasing overall expenses in the current year.

Financial Analysis of District's Funds

The District reports three major funds individually in the financial statements. Those funds are the general fund, special reserve fund, and working cash fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. There were significant changes in all three major funds. Those major funds are shown below and discussed in more detail below.

	General		Special Reserve		Working Cash	
	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025
Total revenues	$ 2,167,076	$ 2,077,503	$ -	$ (1,432)	$ 2,174	$ 33,827
Total expenditures	1,804,920	1,692,946	48,555	71,439	-	-
Excess (deficiency) of revenues over (under) expenditures	362,156	384,557	(48,555)	(72,871)	2,174	33,827
Transfers	(300,000)	(300,000)	300,000	300,000	-	-
Change in fund balance	62,156	84,557	251,445	227,129	2,174	33,827
Fund balance - Beginning	1,773,728	1,689,171	426,376	199,247	664,117	630,290
Fund balance - Ending	$ 1,835,884	$ 1,773,728	$ 677,821	$ 426,376	$ 666,291	$ 664,117

General Fund

Total revenues increased by $89,573 in comparison to the prior year. The main increase was related to property tax revenue, which rose by $100,716. An increase in levy amount by $92,594 for the General Fund along with timing of receipts was the cause of the variance.

Total expenditures increased by $111,974 from the prior year. This increase was related to the increase in salaries from the prior year to accommodate the rise in cost of living as well as annual merit based raises. Additionally, buildings and grounds expenses increased due to extra snow removal services and electrical maintenance services done during FY 2026 as well as the purchase of furniture. Furthermore, the District paid for strategic planning services in FY 2026.

Transfers out of the fund to the Special Reserve Fund were for $300,000 as approved by the Board of Trustees in January 2026. This was the same amount that was transferred in the prior year.

Special Reserve

There were no significant changes in revenues or expenditures, but fund balance increased primarily due to the transfer from the General Fund.

Working Cash

As mentioned previously, the $31,653 decrease in revenues was due to the absence of interest income received due to the closure of the Wintrust bank accounts.

Capital Assets

The District's investment in capital assets, net of accumulated depreciation was $1,746,969 as of June 30, 2026. This was a decrease of $167,518 from June 30, 2025 and was due to depreciation expense exceeding capital asset additions. The following summarizes capital assets.

	Balance June 30, 2026	Balance June 30, 2025
Land	133,932	$ 133,932
Construction in progress	-	-
Building and improvements	4,879,163	4,837,398
Furniture and equipment	453,022	437,176
Library collection	510,541	496,550
Total capital assets	5,976,658	5,905,056
Less: accumulated depreciation	4,229,689	3,990,569
Net capital assets	$ 1,746,969	$ 1,914,487

Additional information regarding capital assets may be found in the accompanying notes to the financial statements (Note 4).

Economic Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of the following circumstances that could significantly affect its financial health in the future.

- The District's service area is the same as the boundaries for the Village of Crete and Crete Township; as such the District's ability to generate tax receipts is directly linked to the Equalized Assessed Valuation (EAV) of the property within the Village of Crete and Crete Township. The EAV increased from $487,327,207 to $513,411,826 from tax year 2024 to tax year 2025.
- Library systems in Illinois are funded by the State of Illinois. Despite the State's financial constraints, it is hoped that system funds will arrive in a more timely fashion. Resource sharing and delivery of materials continue to be the highest priorities for service. RAILS (Reaching Across Illinois Library System) adopted new membership standards that include ongoing continuing education requirements. RAILS increased continuing education opportunities for its members and offers most at very low or no cost. Many training sessions are offered online which saves staff time and does not require mileage reimbursement. If system funding is decreased, this could have an effect on future continuing education opportunities.

- The SWAN (System Wide Automated Network) consortium provides software and support services for bibliographic and circulation functions of almost 100 libraries. Fees for these vital services were slightly decreased this year.
- The District's health insurance pool costs will increase this year.
- It is unknown what impact any State pension reforms or changes to the minimum wage may be forthcoming.
- The District's liability insurance pool conducts annual risk assessment evaluations. The costs have also shown an increase, due to several large claims against other members of the pool.
- Cyber security is expected to be a growing problem in the future and may be reflected in future rate.

BASIC FINANCIAL STATEMENTS

CRETE PUBLIC LIBRARY DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND
STATEMENT OF NET POSITION
JUNE 30, 2026

	General	Special Reserve	Working Cash	Nonmajor Funds	Total	Adjustments	Statement of Net Position
Assets:							
Current:							
Cash and investments	$ 2,855,454	$ 677,821	$ 666,291	$ 322,170	$ 4,521,736	$ -	$ 4,521,736
Property tax receivables	976,005	-	-	135,014	1,111,019	-	1,111,019
Other receivables	1,095	-	-	-	1,095	-	1,095
Total current assets	3,832,554	677,821	666,291	457,184	5,633,850	-	5,633,850
Noncurrent:							
Land (not depreciated)	-	-	-	-	-	133,932	133,932
Other capital assets, net of depreciation	-	-	-	-	-	1,613,037	1,613,037
Total noncurrent assets	-	-	-	-	-	1,746,969	1,746,969
Total assets	3,832,554	677,821	666,291	457,184	5,633,850	1,746,969	7,380,819
Deferred outflows of resources:							
Deferred amount of IMRF pension	-	-	-	-	-	202,167	202,167
Total deferred outflows of resources	-	-	-	-	-	202,167	202,167
Total assets and deferred outflows of resources	$ 3,832,554	$ 677,821	$ 666,291	$ 457,184	$ 5,633,850	$ 1,949,136	$ 7,582,986

See accompanying notes to the financial statements.

CRETE PUBLIC LIBRARY DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND
STATEMENT OF NET POSITION
JUNE 30, 2026

	General	Special Reserve	Working Cash	Nonmajor Funds	Total	Adjustments	Statement of Net Position
Liabilities:							
Current:							
Accounts payable	$ 21,906	$ -	$ -	$ -	$ 21,906	$ -	$ 21,906
Accrued expenses	44,849	-	-	9,750	54,599	-	54,599
Compensated absences	-	-	-	-	-	43,435	43,435
Total current liabilities	66,755	-	-	9,750	76,505	43,435	119,940
Noncurrent:							
Net pension liability	-	-	-	-	-	854,519	854,519
Total noncurrent liabilities	-	-	-	-	-	854,519	854,519
Total liabilities	66,755	-	-	9,750	76,505	897,954	974,459
Deferred inflows of resources:							
Deferred amount of IMRF pension	-	-	-	-	-	189,811	189,811
Unearned property tax revenue:							
Property tax receivable	976,005	-	-	135,014	1,111,019	-	1,111,019
Advance collections	953,910	-	-	131,960	1,085,870	-	1,085,870
Total deferred inflows of resources	1,929,915	-	-	266,974	2,196,889	189,811	2,386,700
Fund balances/net position:							
Fund balances:							
Nonspendable	-	-	605,077	-	605,077	(605,077)	-
Restricted	-	-	-	26,153	26,153	(26,153)	-
Committed	-	677,821	-	154,307	832,128	(832,128)	-
Assigned	-	-	61,214	-	61,214	(61,214)	-
Unassigned	1,835,884	-	-	-	1,835,884	(1,835,884)	-
Total fund balances	1,835,884	677,821	666,291	180,460	3,360,456	(3,360,456)	-
Total liabilities, deferred inflows of resources and fund balances	$ 3,832,554	$ 677,821	$ 666,291	$ 457,184	$ 5,633,850		$ 3,361,159
Net position:							
Net investment in capital assets						1,746,969	1,746,969
Restricted						631,230	631,230
Unrestricted						1,843,628	1,843,628
Total net position						$ 4,221,827	$ 4,221,827

See accompanying notes to the financial statements.

CRETE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
JUNE 30, 2026

Fund balances - governmental funds		$ 3,360,456
Capital assets are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.		1,746,969
Deferred outflows and inflows of resources are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.		
Deferred outflows - IMRF pension	202,167	
Deferred inflows - IMRF pension	(189,811)	
		12,356
Liabilities are not due and payable in the current period and therefore are not reported on the Governmental Funds Balance Sheet.		
Accrued compensated absences		(43,435)
Net pension liability		(854,519)
Net position of governmental activities		$ 4,221,827

See accompanying notes to the financial statements.

CRETE PUBLIC LIBRARY DISTRICT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
AND STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

	General	Special Reserve	Working Cash	Nonmajor Funds	Total	Adjustments	Statement of Activities
Revenues:							
Property taxes	$ 1,889,011	$ -	$ -	$ 246,819	$ 2,135,830	$ -	$ 2,135,830
Replacement taxes	5,563	-	-	-	5,563	-	5,563
Desk receipts	3,770	-	-	-	3,770	-	3,770
Meeting room receipts	1,715	-	-	-	1,715	-	1,715
Copy machine receipts	14,191	-	-	-	14,191	-	14,191
Grants	28,381	-	-	-	28,381	-	28,381
Gifts and donations	18,021	-	-	-	18,021	-	18,021
Investment income	139,462	-	2,174	-	141,636	-	141,636
Miscellaneous	66,962	-	-	-	66,962	-	66,962
Total revenues	2,167,076	-	2,174	246,819	2,416,069	-	2,416,069
Expenditures/expenses:							
Current:							
Cultural	1,804,920	-	-	260,806	2,065,726	359,275	2,425,001
Capital outlay	-	48,555	-	-	48,555	(48,555)	-
Total expenditures/expenses	1,804,920	48,555	-	260,806	2,114,281	310,720	2,425,001
Excess (deficiency) of revenues over (under) expenditures/expenses	362,156	(48,555)	2,174	(13,987)	301,788	(310,720)	(8,932)
Other financing sources (uses):							
Transfers in/(out)	(300,000)	300,000	-	-	-	-	-
Net change in fund balances/net position	62,156	251,445	2,174	(13,987)	301,788	(310,720)	(8,932)
Fund balances/net position:							
Beginning of year	1,773,728	426,376	664,117	194,447	3,058,668	1,172,091	4,230,759
End of year	$ 1,835,884	$ 677,821	$ 666,291	$ 180,460	$ 3,360,456	$ 861,371	$ 4,221,827

See accompanying notes to the financial statements.

CRETE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Net change in fund balances - governmental funds		$ 301,788
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.		
Expenditures for capital assets in the current year	$ 164,722	
Current year depreciation	(332,240)	
		(167,518)
Some expenses reported on the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued compensated absences from the prior year	7,301	
Change in deferred outflows and inflows of resources for IMRF pension plan from the prior year	(262,408)	
Change in net pension liability from the prior year	111,905	
Total adjustments		(143,202)
Change in net position of governmental activities		$ (8,932)

See accompanying notes to the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CRETE PUBLIC LIBRARY DISTRICT (the "District") is located in Crete, Illinois. The District was organized under state law to provide cultural and library services to local residents.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. 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 District's accounting policies are described below.

A. Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature of significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no agencies or entities whose financial data should be combined with and included in the financial statements of the District. Also, the District is not considered a component unit of any other government entity.

B. Basis of Presentation

The fund and government-wide financial statements are combined, with a reconciliation shown between them. Therefore, the Governmental Funds Balance Sheet and Statement of Net Position are combined, and the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities are combined. The government-wide statements are designed to report the District's financial position and results of operations as a whole. The fund financial statements are designed to demonstrate legal compliance and to aid financial management by segregating transactions by fund. Program revenues include desk receipts, meeting room receipts, and grants.

Major individual governmental funds are reported as separate columns on the fund financial statements and all other funds are combined under a single column. The major funds are the general fund, special reserve fund and working cash fund. Following is a brief description of the major funds used by the District.

General Fund – The general fund is the general operating fund of the District and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. In addition, general operating expenditures and the capital improvement costs that are not paid through other funds are paid from this fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Special Reserve Fund – The special reserve fund is used for maintaining, renovating, or enlarging the District's existing property, building repairs and equipment purchases.

Working Cash Fund – The working cash fund is used to account for financial resources held by the District to be used for temporary interfund loans to certain other funds.

C. Basis of Accounting

The government-wide statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Property taxes are recognized as revenue in the year in which they are intended to finance. Interfund balances between funds have been eliminated in the government-wide statements.

Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund equity. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (defined as within 60 days after the fiscal year-end) to be used to pay liabilities of the current period. Material revenues susceptible to accrual include property taxes and operating grant revenue. Expenditures are recognized when the related fund liability is incurred.

D. Investments

The District's investments consist of money market accounts, certificates of deposit and U.S. Treasury securities. Money market accounts, certificates of deposit, and U.S. Treasury securities are reported at fair market value. The District typically holds all certificates of deposit and U.S. Treasury securities until maturity.

E. Prepaid Expenses

Payments made to vendors for services that will benefits periods beyond June 30, 2026 are recorded as prepaid expenses.

F. Capital Assets

The accounting treatment for property, plant, and equipment (capital assets) depends on whether the assets are reported on the government-wide or fund financial statements.

On the government-wide financial statements capital assets are valued at historical cost or the estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at the acquisition value at the date of donation. Depreciation of all exhaustible capital assets is recorded as a

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

cultural expense on the Statement of Activities, with accumulated depreciation reflected on the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Building and improvements	10 - 37.5 years
Furniture and equipment	5 years
Library collection (books and audio-visual)	5 years

The minimum capitalization threshold is any item with a total cost greater than $500, except for purchases of books and audio visual, which are always capitalized.

On the fund financial statements, capital assets are accounted for as expenditures of the governmental fund upon acquisition.

G. Compensated Absences

GASB Statement No. 101, Compensated Absences, requires that liabilities be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability that has not been used, generally using an employee's pay rate as of the date of the financial statements. In addition, certain salary-related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

In accordance with the Library policy, employees are paid for accrued unused vacation time upon termination. Personal days must be used in the year they are granted and are not carried forward. As for sick time, employees are not paid for earned, but unused, sick time upon termination. However, they may accrue for creditable service time for the Illinois Municipal Retirement Fund. The liability reported by the District values time based upon the first-in first-out (FIFO) method.

H. Deferred Outflows/Inflows of Resources

The District reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to future fiscal years, so it will not be recognized as an outflow of resources (expenditure or expense) on the Statement of Activities until then. The District only has one item that qualifies for reporting in this category, the outflows related to the pension, which represents pension items that will be recognized in future periods.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The District also reports deferred inflows of resources on its Governmental Funds Balance Sheet and Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to future fiscal years, so it will not be recognized as an inflow of resources (revenue or reduction of expenditure or expense) on the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities until then. The District has two items that qualify for reporting in this category:

- Deferred inflows related to pensions, which represent pension items that will be recognized in future periods.

- Levied property taxes intended to finance the next fiscal year, which will be recognized as revenue in the next fiscal year.

I. Property Taxes

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a levy ordinance by its Board. Property taxes are recognized as a receivable at the time they are levied. Property tax revenues are recognized in the fiscal year they are intended to finance. In addition, revenue under the modified accrual basis (fund financial statements) is not recognized unless it is also available (collected within 60 days after fiscal year end). Property tax collections and property taxes receivable not recognized as revenue are reported as deferred inflows of resources. Property tax revenues on the fund financial statements are allocated to each fund in accordance with the applicable fund levy amounts.

The 2024 levy was intended to finance the fiscal year ended June 30, 2026. The most recent levy (2025) is intended to finance the fiscal year ending June 30, 2027. Therefore, property taxes receivable and collection of this levy are recorded as deferred inflows of resources. Property taxes receivable are recognized on the levy date.

The District has not recorded an allowance for uncollectible property taxes for the 2025 levy, since it is estimated that uncollectible amounts, if any, will be insignificant. All uncollected taxes relating to prior years' levies have been written off.

Significant dates for the 2025 levy are as follows:

Lien date	January 1, 2025
Levy date	November 19, 2025
First installment due	June 1, 2026
Second installment due	September 1, 2026

Property taxes are billed and collected by the County Treasurer of Will County, Illinois. Property tax bills are typically mailed at least 30 days prior to due dates. Substantially all of the collected taxes for the 2025 tax levy will be received by the District between June 2026 and December 2026.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. Elimination and Reclassifications

In the process of aggregating data for the government-wide Statement of Activities and Statement of Net Position, some amounts reported as interfund activity and interfund receivables and payables on the fund financial statements may be eliminated or reclassified.

K. Fund Balance

Equity is classified as fund balance on the fund financial statements and displayed in five components:

- Nonspendable includes amounts not in spendable form, such as prepaid expenses or interfund balances or amounts required to be maintained intact legally or contractually.

- Restricted includes amounts constrained for a specific purpose by external parties.

- Committed includes amounts constrained for a specific purpose by a government using its highest level of decision-making authority (the Board of Trustees for the District). This formal action must occur prior to the end of the reporting period, but the amount of the committed balance may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Trustees that originally created the commitment.

- Assigned includes general fund amounts constrained for a specific purpose by the Board of Trustees or by an official who has been delegated authority to assign amounts. The Board of Trustees has not delegated this authority as of June 30, 2026. Additionally, all remaining positive spendable amounts in government funds other than the general fund, that are neither restricted nor committed, are considered assigned. Assignments may take place after the end of the reporting period.

- Unassigned includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

In circumstances where an expenditure relates to amounts available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed, assigned and unassigned fund balances.

L. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District uses restricted resources when an expense is incurred before using unrestricted resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M. Estimates

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

NOTE 2. DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

Employees hired ***before*** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.67% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired ***on or after*** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.67% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

Employees Covered by Benefit Terms
As of December 31, 2025, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	16
Total	45

Contributions
As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2025 was 15.51% of members' wages. For the fiscal year ended June 30, 2026, the District contributed $141,061 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

Actuarial Assumptions
The following are the methods and assumptions used to determine total pension liability at December 31, 2025:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Price Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
- **Mortality** – For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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.

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

Asset Class	Target Allocation	Long Term Expected Rate of Return
Domestic Equity	32.5%	7.35%
International Equity	18.0%	7.45%
Fixed Income	24.0%	4.75%
Real Estate	10.5%	6.25%
Alternative Investments	14.0%	3.90-8.50%
Cash Equivalents	1.0%	3.00%
	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 4.83%; and the resulting single discount rate is 7.25%.

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	**Plan Fiduciary Net Position (B)**	**Net Pension Liability (A) - (B)**
Balances at December 31, 2024	$ 4,640,466	$ 3,674,042	$ 966,424
Changes for the year:			
Service Cost	81,024	-	81,024
Interest on the Total Pension Liability	329,800	-	329,800
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	110,858	-	110,858
Changes of Assumptions	-	-	-
Contributions - Employer	-	147,656	(147,656)
Contributions - Employees	-	42,840	(42,840)
Net Investment Income	-	557,489	(557,489)
Benefit Payments, including Refunds of Employee Contributions	(264,026)	(264,026)	-
Other (Net Transfer)	-	(114,398)	114,398
Net Changes	257,656	369,561	(111,905)
Balances at December 31, 2025	$ 4,898,122	$ 4,043,603	$ 854,519

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Total pension liability	$ 5,481,370	$ 4,898,122	$ 4,417,860
Plan fiduciary net position	4,043,603	4,043,603	4,043,603
Net pension liability	$ 1,437,767	$ 854,519	$ 374,257

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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

For the year ended June 30, 2026, the District recognized a pension expense of $298,158. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 135,909	$ 713
Changes of assumptions	721	-
Net difference between projected and actual earnings on pension plan investments	-	189,098
Total Deferred Amounts to be recognized in pension expense in future periods	136,630	189,811
Pension Contributions made subsequent to the Measurement Date	65,537	-
Total Deferred Amounts Related to Pensions	$ 202,167	$ 189,811

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the future periods as follows:

Year Ended June 30	Net deferred outflows of resources
2027	$ 110,354
2028	(48,376)
2029	(55,574)
2030	(59,585)
2031	-
Thereafter	-
Total	$ (53,181)

NOTE 3. CASH AND INVESTMENTS

The District's investment policy (the "policy") authorizes the District to invest in obligations of the U.S. government and its agencies, interest-bearing savings accounts, certain short-term obligations of U.S. corporations, money market mutual funds, certificates of deposit, Illinois Public Treasurer's Investment Pool (Illinois Funds), and other securities authorized by the Illinois Public Funds Investment Act.

The District's deposits and investments are subject to the following risks:

- Custodial credit risk is the risk that the District will not be able to recover its deposits with financial institutions in the event of the failure of the financial institutions. The District's policy limits this risk by only allowing deposits in Federally Insured or Licensed Institutions Permitted to Hold Public Funds, provided that such investments shall not exceed federal insurance limits. The District's policy limits this risk by only allowing investments in securities guaranteed by the United States government or in FDIC insured institutions.
- Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations, resulting in investment losses by the District. The District's policy limits this risk by requiring that uninsured investments shall be collateralized by securities or mortgages in an amount equal to at least fair market value of the uninsured amount.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy does not limit the term of investments to specific maturities.
- Concentration of credit risk is the risk of loss attributed to funds being concentrated in a limited number of investments. The District's policy does not address this risk.

Current assets:	
Old Plank Trail Community Bank - petty cash	$ 300
Old Plank Trail Community Bank - checking account	167,860
Old Plank Trail Community Bank - money market accounts	4,353,574
Total cash and investments	$ 4,521,734

NOTE 3. CASH AND INVESTMENTS - Continued

The District's deposits with financial institutions were categorized as follows at June 30, 2026:

Insured by federal depository insurance:	
Other accounts	$ 470,094
Insured by MaxSafe FDIC insurance:	
Other accounts	3,748,662
Collateralized by investments made into debt securities issued or guaranteed by the U.S. Government and in repurchase agreements	-
Collateralized by securities held by the pledging financial institution's trust department or agent in the District's name	354,912
Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the District's name	-
Uncollateralized	-
Total deposits with financial institutions	$ 4,573,668

NOTE 4. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended June 30, 2026:

	Balance at July 1, 2025	Increase	Decrease	Balance at June 30, 2026
Capital assets not depreciable:				
Land	$ 133,932	$ -	$ -	$ 133,932
Total capital assets, not depreciable	133,932	-	-	133,932
Capital assets, depreciable:				
Building and improvements	4,837,398	41,765	-	4,879,163
Furniture and equipment	437,177	15,845	-	453,022
Library collection	496,550	107,112	(93,121)	510,541
Total capital assets, depreciable	5,771,125	164,722	(93,121)	5,842,726
Less accumulated depreciation for:				
Building and improvements	(3,329,202)	(200,476)	-	(3,529,678)
Furniture and equipment	(407,111)	(20,344)	-	(427,455)
Library collection	(254,257)	(111,420)	93,121	(272,556)
Total accumulated depreciation	(3,990,570)	(332,240)	93,121	(4,229,689)
Capital assets, net	$ 1,914,487	$ (167,518)	$ -	$ 1,746,969

All depreciation expense is charged to the cultural function in the Statement of Activities.

NOTE 5. LONG-TERM LIABILITY

Long-term liability activity for the year ended June 30, 2026 was as follows:

	Balance July 1, 2025	Increases	Decreases	Balance June 30, 2026	Current Portion
Net pension liability	$ 966,424	$ -	$ (111,905)	$ 854,519	$ -
Compensated absences*	50,736		(7,301)	43,435	43,435
Total	$ 1,017,160	$ -	$ (119,206)	$ 897,954	$ 43,435

*Current year activity for compensated absences is reported as the net of increases and decreases to the liability.

The IMRF fund is used to liquidate the net pension liability and the General Fund will be used to liquidate compensated absences balances.

NOTE 6. RISK OF LOSS

The District is exposed to various risks of loss through property ownership, employee injury, liability of employees, actions of elected officials and other risks. The District has membership with Libraries of Illinois Risk Agency ("LIRA") to overcome these risks. LIRA is a cooperative agency voluntarily established by contracting public libraries, library districts, library systems and other units of government pursuant to Article VII, Section 10 of the 1970 Constitution of the State of Illinois and 5 ILCS 220/6 of the Illinois Compiled Statutes for the purpose of seeking prevention or reduction of casualty losses to governmental properties and injuries to persons or property which might result in claims being made against member units, their officers, and employees.

The relationship, including rights and responsibilities of the District and LIRA, is governed by an intergovernmental contract, which may be obtained from the District. In accordance with this contract, the District is obligated to report claims on a timely basis, follow risk management procedures adopted by LIRA, provide necessary information to LIRA, cooperate with LIRA's attorneys and staff, and timely pay all contributions. LIRA has a Board of Directors that is responsible for administering the intergovernmental contract and managing the operating and reserve funds. The Board of Directors is elected or appointed by LIRA members, including the District.

There were no significant reductions in insurance coverage during the fiscal year ended June 30, 2026, and claims have not exceeded coverage in the last three years.

NOTE 7. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the government funds at June 30, 2026:

	General	Special Reserve	Working Cash	Other Funds
Fund balance:				
Nonspendable for short-term loans to other funds and prepaid expenses:				
Interfund loans	$ -	$ -	$ 605,077	$ -
Restricted due to enabling legislation (tax levy):				
FICA				16,808
Insurance				8,465
Workmen's comp.	-	-	-	880
Committed by Board of Trustees:				
Special reserve	-	677,821	-	-
IMRF	-	-	-	83,303
FICA	-	-	-	31,109
Audit	-	-	-	5,689
Unemploy. compens.	-	-	-	14,206
Workmen's comp.	-	-	-	20,000
Assigned for:				
Future operating expenditures	-	-	61,214	-
Unassigned	1,835,884	-	-	-
Total fund balances	$ 1,835,884	$ 677,821	$ 666,291	$ 180,460

NOTE 8. RESTRICTED NET POSITION

The following is a schedule of restricted net position on the Statement of Net Position at June 30, 2026. These balances are restricted by tax levies or by the contributor.

Restricted by tax levies for:	
Working cash	$ 605,077
FICA	16,808
Insurance	8,465
Workmen's comp.	880
Total restricted by tax levies	$ 631,230

NOTE 9. POST EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. Since employees pay 100% of the benefit, there is no liability to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Therefore, the District has not recorded a liability as of June 30, 2026.

NOTE 10. RETIREMENT PLAN

The District sponsors a defined contribution retirement plan under Internal Revenue Code Section 403(b) (the Plan) covering eligible employees who meet the Plan's requirements as regular part-time or full-time employees. Participation is voluntary. Participants may make elective salary deferral contributions up to the limits set by the Internal Revenue Code and are fully vested in their contributions and related earnings at all times. Plan assets are held in individual participant accounts by investment options made available under the Plan and are not assets of the District.

The employer may make discretionary contributions or matching contributions as authorized annually by the Board of Trustees. For the year ended June 30, 2026, the District made no matching or discretionary contributions. Accordingly, the Library recognized no cost related to the Plan for the years ended June 30, 2026.

NOTE 11. OTHER FUND DISCLOSURES

Accounting principles generally accepted in the United State of America require disclosure of certain information concerning individual funds. Fund transfers of $300,000 was made from the general fund to the special reserve fund in the year ended June 30, 2026. This transfer was approved by the Board of Trustees to cover current and future expenses of these funds.

NOTE 12. SUBSEQUENT EVENTS

The District has evaluated events subsequent to June 30, 2026 for possible adjustment or disclosure to the accompanying financial statements. This evaluation was done through the date of the Independent Auditor’s Report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CRETE PUBLIC LIBRARY DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2026

	Original / Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	$ 1,883,519	$ 1,889,011	$ 5,492
Other revenues:			
Replacement taxes	3,000	5,563	2,563
Desk receipts	2,500	3,770	1,270
Meeting room receipts	1,000	1,715	715
Copy machine receipts	12,000	14,191	2,191
Grants	35,500	28,381	(7,119)
Gifts and donations	2,500	18,021	15,521
Investment income	50,000	139,462	89,462
Miscellaneous	73,384	66,962	(6,422)
Total other revenues	179,884	278,065	98,181
Total revenues	2,063,403	2,167,076	103,673
Expenditures:			
Personnel:			
Salaries	1,065,000	1,091,927	26,927
Health insurance	150,000	126,530	(23,470)
Staff/board development	10,000	10,646	646
Total personnel	1,225,000	1,229,103	4,103
Library services:			
Collection development	145,000	107,112	(37,888)
Programming	30,000	28,854	(1,146)
Supplies	33,000	32,691	(309)
Printing/postage	23,000	21,117	(1,883)
Public info/outreach	10,000	9,154	(846)
Total library services	241,000	198,928	(42,072)
Automation services:			
Support services	48,000	44,460	(3,540)
Equipment and supplies	100,000	88,498	(11,502)
Utilities	12,000	12,311	311
Total automation services	160,000	145,269	(14,731)

See accompanying notes and auditor's report.

CRETE PUBLIC LIBRARY DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2026

continued

Expenditures (Continued)	Original / Final Budget	Actual	Over (Under) Budget
Building and grounds:			
Maintenance services	$ 75,000	$ 82,531	$ 7,531
Furniture and equipment	20,000	11,405	(8,595)
Equipment maintenance	20,000	14,497	(5,503)
Supplies	15,000	9,411	(5,589)
Total building and grounds	130,000	117,844	(12,156)
Utilities			
Electric	55,000	44,586	(10,414)
Gas	15,000	11,906	(3,094)
Telephone	6,500	7,422	922
Other	3,000	2,291	(709)
Total Utilities	79,500	66,205	(13,295)
Contractual services:			
Legal	8,000	2,178	(5,822)
Accounting	10,000	7,086	(2,914)
Consulting	30,000	30,985	985
Total contractual services	48,000	40,249	(7,751)
Contingency	9,000	7,322	(1,678)
Total expenditures	1,892,500	1,804,920	(87,580)
Excess (deficiency) of revenues over (under) expenditures	170,903	362,156	191,253
Other financing sources (uses):			
Transfers (out)	-	(300,000)	(300,000)
Net change in fund balance	170,903	62,156	(108,747)
Fund balance, beginning	1,773,728	1,773,728	-
Fund balance, ending	$ 1,944,631	$ 1,835,884	$ (108,747)

See accompanying notes and auditor's report.

CRETE PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2026

Calendar year ended December 31	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	$ 81,024	$ 77,395	$ 79,582	$ 74,384	$ 77,794	$ 83,929	$ 82,306	$ 76,387	$ 71,074	$ 81,030
Interest on the total pension liability	329,800	311,947	300,845	285,038	269,722	262,687	250,115	239,090	231,049	217,376
Differences between expected and actual experiences of the total pension liability	110,858	103,476	(2,192)	82,895	82,499	(6,054)	24,882	24,711	86,306	52,947
Changes of assumptions	-	-	2,218	-	-	(47,452)	-	97,831	(111,492)	(25,903)
Benefit payments, including refunds of employee contributions	(264,026)	(232,734)	(219,730)	(234,044)	(200,068)	(185,938)	(183,492)	(174,466)	(170,302)	(160,636)
Net change in total pension liability	257,656	260,084	160,723	208,273	229,947	107,172	173,811	263,553	106,635	164,814
Total pension liability - beginning	4,640,466	4,380,382	4,219,659	4,011,386	3,781,439	3,674,267	3,500,456	3,236,903	3,130,268	2,965,454
Total pension liability - ending (A)	$ 4,898,122	$ 4,640,466	$ 4,380,382	$ 4,219,659	$ 4,011,386	$ 3,781,439	$ 3,674,267	$ 3,500,456	$ 3,236,903	$ 3,130,268
Plan fiduciary net position:										
Contributions - employer	$ 147,656	$ 131,260	$ 123,420	$ 118,764	$ 128,484	$ 129,497	$ 118,842	$ 125,554	$ 112,210	$ 100,285
Contributions - employee	42,840	40,512	40,129	37,139	36,455	35,994	36,037	34,985	33,618	32,467
Net investment income	557,489	321,333	329,734	(464,694)	528,569	399,356	447,317	(145,630)	392,235	134,505
Benefit payments, including refunds of employee contributions	(264,026)	(232,734)	(219,730)	(234,044)	(200,068)	(185,938)	(183,492)	(174,466)	(170,302)	(160,636)
Other (net transfer)	(114,398)	155,019	(1,611)	(113,094)	12,994	6,220	13,267	60,840	(62,457)	32,562
Net change in plan fiduciary net position	369,561	415,390	271,942	(655,929)	506,434	385,129	431,971	(98,717)	305,304	139,183
Plan fiduciary net position - beginning	3,674,042	3,258,652	2,986,710	3,642,639	3,136,205	2,751,076	2,319,105	2,417,822	2,112,518	1,973,335
Plan fiduciary net position - ending (B)	$ 4,043,603	$ 3,674,042	$ 3,258,652	$ 2,986,710	$ 3,642,639	$ 3,136,205	$ 2,751,076	$ 2,319,105	$ 2,417,822	$ 2,112,518
Net pension liability - ending (A) - (B)	$ 854,519	$ 966,424	$ 1,121,730	$ 1,232,949	$ 368,747	$ 645,234	$ 923,191	$ 1,181,351	$ 819,081	$ 1,017,750
Plan fiduciary net position as a percentage of total pension liability	82.55%	79.17%	74.39%	70.78%	90.81%	82.94%	74.87%	66.25%	74.70%	67.49%
Covered valuation payroll	$ 952,009	$ 900,279	$ 891,757	$ 825,325	$ 810,113	$ 799,855	$ 800,820	$ 777,432	$ 747,069	$ 721,477
Net pension liability as a percentage of covered valuation payroll	89.76%	107.35%	125.79%	149.39%	45.52%	80.67%	115.28%	151.96%	109.64%	141.06%

Notes to schedule:
This schedule is presented to illustrate the requirement to show information for 10 years.

See accompanying notes and auditor's report.

CRETE PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2026

Fiscal year ended June 30	Actuarially determined contribution (a)	Actual contribution (b)	Contribution deficiency (excess) (b-a)	Covered valuation payroll (c)	Actual contribution as a percentage of covered valuation payroll (b/c)
2026	$ 141,061	$ 141,061	-	$ 959,109	14.71%
2025	149,233	149,233	-	993,879	15.02%
2024	128,014	128,014	-	901,117	14.21%
2023	118,764	118,764	-	825,325	14.39%
2022	128,484	128,484	-	810,113	15.86%
2021	129,497	129,497	-	799,855	16.19%
2020	118,842	118,842	-	800,820	14.84%
2019	125,555	125,555	-	777,432	16.15%
2018	112,210	112,210	-	747,069	15.02%
2017	100,285	100,285	-	721,477	13.90%

Notes to Schedule:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported
Actuarial Cost Method	Aggregate Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.85% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
Other Information	There were no benefit changes during the year.

See accompanying notes and auditor's report.

NOTE 1. BUDGETS

Budgets for funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used to establish the budgets:

(a) The District's Director submits a proposed operating budget to the Board of Trustees for approval.

(b) The Board of Trustees makes any adjustments to the budget deemed necessary and approves the proposed budget and appropriation ordinance.

(c) Notice is published in a newspaper that the tentative Annual Budget and Appropriation Ordinance of the District is available for inspection and then is subsequently presented at a public hearing.

(d) The District's Board of Trustees adopts the Annual Budget and Appropriation Ordinance after the public hearing.

Expenditures may not legally exceed the budgeted appropriations at the fund level. The budget may be amended by the District's Board of Trustees. There were no amendments to the budget for the year ended June 30, 2026.

NOTE 2. BUDGETARY COMPARISON VARIANCE EXPLANATIONS

The following are explanations of significant variances between budget and actual balances in the General Fund:

	General Fund over (under)
BUDGETARY REVENUES	
Differences - original and final budget to actual:	
Investment income exceeded budget due to variable interest rate on accounts that mirrors that of the Illinois Funds as well as favorable market performance.	$ 89,462
BUDGETARY EXPENDITURES	
Differences - original and final budget to actual:	
Salaries exceeded budget due to additional personnel hired during the fiscal year.	26,927
Health Insurance renewals occur on a calendar year basis and thus the budget is based on the mid-year meeting and wider industry trends.	(23,470)
The Children's Collection Development department's decides how they want to spend their budget every year. In the current year, spending was under budget.	(37,888)
BUDGETARY OTHER FINANCING SOURCES	
Differences - original and final budget to actual:	
Transfer to the Special Revenue fund was approved by the Board in January 2026, but was not budgeted for.	(300,000)

COMBINING FINANCIAL STATEMENTS

CRETE PUBLIC LIBRARY DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	SPECIAL REVENUE FUNDS						
	IMRF	FICA	Public Liability Insurance	Audit	Unemploy. Compens.	Workmen's Comp.	Total
Assets:							
Cash and investments	$ 160,956	$ 84,459	$ 20,646	$ 20,007	$ 14,714	$ 21,388	$ 322,170
Property tax receivables	79,451	37,389	12,463	4,673	519	519	135,014
Total assets	240,407	121,848	33,109	24,680	15,233	21,907	457,184
Liabilities:							
Accrued expenses	-	-	-	9,750	-	-	9,750
Total liabilities	-	-	-	9,750	-	-	9,750
Deferred inflows of resources:							-
Unearned property tax revenue							-
Property tax receivable	79,451	37,389	12,463	4,673	519	519	135,014
Advance collections	77,653	36,542	12,181	4,568	508	508	131,960
Total deferred inflows of resources	157,104	73,931	24,644	9,241	1,027	1,027	266,974
Fund balances:							
Restricted	-	16,808	8,465	-	-	880	26,153
Committed	83,303	31,109	-	5,689	14,206	20,000	154,307
Total fund balances	83,303	47,917	8,465	5,689	14,206	20,880	180,460
Total liabilities, deferred inflows of resources and fund balances	$ 240,407	$ 121,848	$ 33,109	$ 24,680	$ 15,233	$ 21,907	$ 457,184

CRETE PUBLIC LIBRARY DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
JUNE 30, 2026

	SPECIAL REVENUE FUNDS						
	IMRF	FICA	Public Liability Insurance	Audit	Unemploy. Compens.	Workmen's Comp.	Total
Revenues:							
Property tax taxes	$ 108,991	$ 92,862	$ 33,724	$ 9,286	$ 978	$ 978	$ 246,819
Total revenues	108,991	92,862	33,724	9,286	978	978	246,819
Expenditures/expenses:							
IMRF	141,061	-	-	-	-	-	141,061
Social Security	-	81,105	-	-	-	-	81,105
Insurance	-	-	24,338	-	2,722	1,830	28,890
Audit	-	-	-	9,750	-	-	9,750
Total expenditures/expense	141,061	81,105	24,338	9,750	2,722	1,830	260,806
Net change in fund balances/net position	(32,070)	11,757	9,386	(464)	(1,744)	(852)	(13,987)
Fund balances/net position:							
Beginning of year	115,373	36,160	(921)	6,153	15,950	21,732	194,447
End of year	$ 83,303	$ 47,917	$ 8,465	$ 5,689	$ 14,206	$ 20,880	$ 180,460

See independent auditor's report.