

Frankfort Public Library District

Frankfort, Illinois

Annual Financial Report



FRANKFORT
PUBLIC LIBRARY DISTRICT
imagination • information • innovation

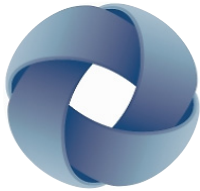
For the Year Ended June 30, 2025

Frankfort Public Library District
Table of Contents

	Page(s)
FINANCIAL SECTION	
Independent Auditors' Report.....	1 - 3
Management's Discussion and Analysis (Required Supplementary Information).....	4 - 11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Governmental Fund Financial Statements	
Balance Sheet.....	14
Reconciliation of Fund Balances of the Governmental Funds to the Governmental Activities in the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Governmental Activities in the Statement of Activities.....	17
Notes to the Financial Statements.....	18 - 39
Required Supplementary Information Other than MD&A	
IMRF Pension Disclosures.....	40 - 41
Major Governmental Fund	
Individual Fund Schedule	
Budgetary Comparison Schedule	
Schedule of Revenues, Expenditures, and Changes in Fund Balance General Fund.....	42
Schedule of Revenues, Expenditures and Changes in Fund Balance Library Building and Sites Fund.....	43
No Legally Adopted Budget	
Schedule of Revenues, Expenditures and Changes in Fund Balance Special Reserve Fund.....	44
Notes to Required Supplementary Information.....	45
Supplemental Schedules	
Major Governmental Funds	
Individual Fund Schedules	
Budgetary Comparison Schedules	
Schedule of Expenditures General Fund.....	46 - 47

Frankfort Public Library District
Table of Contents (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
Supplemental Schedules (Continued)	
Notes to Supplementary Information.....	48
Non-major Governmental Funds	
Combining Fund Schedules	
Combining Balance Sheet.....	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	50
Individual Fund Schedules	
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Illinois Municipal Retirement Fund.....	51
Audit Fund.....	52
Public Liability Insurance Fund.....	53
Social Security Fund.....	54
No Legally Adopted Budget	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Working Cash Fund.....	55



Illinois NFP Audit & Tax, LLP
Certified Public Accountants

Independent Auditors' Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Frankfort Public Library District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Frankfort Public Library 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 Frankfort Public Library District, as of June 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof for the year 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 Frankfort Public Library 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 Frankfort Public Library 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 Frankfort Public Library 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 Frankfort Public Library 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, major fund budgetary schedules, and certain pension and post-employment benefit disclosures be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Frankfort Public Library District basic financial statements. The combining and individual fund financial statements and schedules for non-major funds, and other non-required supplemental schedules as listed in the table of contents, 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 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 fund financial statements schedules for non-major funds and other non-required supplemental schedules as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included within the audit report. The other information comprises of the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

IL NFP Audit & Tax, LLP

Chicago, Illinois
October 6, 2025

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025**

Introduction

The Frankfort Public Library District (hereinafter referred to as the Library) Management's Discussion and Analysis are designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Library's financial activity, (3) identify changes in the Library's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Library's financial statements (beginning on page 12).

Financial Highlights

- At June 30, 2025, total assets and deferred outflows were \$8,218,614, and total liabilities and deferred inflows were \$5,661,237 compared to total assets and deferred outflows of \$7,641,551 and total liabilities and deferred inflows of \$5,582,926 at June 30, 2024. At June 30, 2025, the net position was \$2,557,377, while at June 30, 2024, the total net position was \$2,058,625. The portion of net position invested in capital assets, net of related debt, was \$1,520,480 and \$1,249,501 at June 30, 2025, and 2024, respectively.
- Overall, total revenues for all funds in 2025 were \$3,455,821, and total expenses were \$2,957,069 as compared to 2024 total revenues of \$3,196,702 and total expenses of \$2,756,951. Overall, there was an increase of \$498,752 in total fund balances from \$2,058,625 in 2024 to \$2,557,377 in 2025.
- Property tax collections received in fiscal year 2025 were \$3,027,593 compared to \$2,821,249 received in fiscal 2024.

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025 (Continued)**

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements, and notes to the financials. The District also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Frankfort Public Library District's finances in a manner similar to a private-sector business. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* presents information on all the Frankfort Park Public Library District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements can be found on pages 12 - 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources 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 separately reported, while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

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 balances 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 near term.

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025 (Continued)**

Fund Financial Statements (Continued)

Budgetary comparison statements are included in the required supplementary information for the general fund and major special revenue funds. Budgetary comparison schedules for other special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 14 through 17 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget to actual comparisons, statistical analysis tables, and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 40 through 45 of this report.

Major funds are reported in the basic financial statements, as discussed. Combining and individual statements and schedules for non-major as well as supplemental schedules for the major funds are presented in a subsequent section of this report beginning on page 46.

Government-wide Financial Analysis

As stated previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets and deferred outflows exceeded liabilities and deferred inflows by \$2,557,377 at June 30, 2025. Contributing to the Library's net position, \$1,520,480 reflects its net investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related outstanding debt used to acquire those assets. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Library's net position, \$906,418 represents resources that are subject to external restrictions on how they may be used.

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025 (Continued)**

Statement of Net Position

A comparison of the statement of net position for the last two fiscal years is shown on the following page. As noted earlier, the District's combined net position increased by \$498,752.

**Statement of Net Position
Governmental Activities**

	2025	2024
Current and Other Assets	\$ 4,998,490	\$ 4,475,030
Capital Assets	2,852,491	2,671,725
Total Assets	7,850,981	7,146,755
Deferred Outflows	367,633	494,796
Total Assets and Deferred Outflows	8,218,614	7,641,551
Other Liabilities	99,089	74,438
Long-Term Liabilities	2,357,113	2,416,565
Total Liabilities	2,456,202	2,491,003
Deferred Inflows	3,205,035	3,091,923
Total Liabilities and Deferred Inflows	5,661,237	5,582,926
Net Position		
Net Investment in capital assets	1,520,480	1,249,501
Restricted Amounts	906,418	679,432
Unrestricted Amounts	130,479	129,692
Total Net Position	\$ 2,557,377	\$ 2,058,625

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025 (Continued)**

Statement of Activities

A comparison of the statement of activities for the last two fiscal years is shown below.

**Statement of Activities
Governmental Activities**

	2025	2024
Revenues		
Program Revenues		
Charges for Services	66,787	54,501
Operating Grants and Contributions	169,077	108,042
General Revenues		
Property Taxes	3,027,593	2,821,249
Replacement Taxes	58,106	87,630
Interest Income	130,085	114,928
Miscellaneous	4,173	10,352
Total Revenue	<u>\$ 3,455,821</u>	<u>\$ 3,196,702</u>
Expenses		
Governmental Activities		
Library Services	2,911,415	2,712,889
Interest on Long-Term Debt	45,654	44,062
Total Expense	<u>2,957,069</u>	<u>2,756,951</u>
Increase in Net Position	\$ 498,752	\$ 439,751
Net Position - Beginning of Year	2,058,625	1,618,874
Net Position - End of Year	<u><u>\$ 2,557,377</u></u>	<u><u>\$ 2,058,625</u></u>

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025 (Continued)**

Governmental Activities

As stated previously, Governmental Activities increased the District's net position by \$498,752. Key elements of the entity-wide performance are as follows:

- During the fiscal year ended 2025, the District's net position increased mainly due to an increase in property taxes and interest income.
- Total revenues increased 8.11% to \$3,455,821 in 2025 from \$3,196,702 the previous year. Most of this increase is attributed to an increase in property taxes and interest income.
- Interest Income increased 13.19% to \$130,085 in 2025 from \$114,928 the previous year due to increases in collections.
- Total library expenses increased 7.26% to \$2,957,069 in 2025 from \$2,756,951 the previous year due to capital outlay expenditures.

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported a healthy ending fund balance of \$1,708,201. Only \$386,6979 of these funds are non-spendable or restricted, indicating the availability of the balance of funds for continuing operations.

The total ending fund balance of governmental funds shows an increase of \$365,307 from the prior fiscal year. This increase is primarily the result of the financial information described in the analysis of the District's governmental activities.

Major Governmental Funds

The General Fund is the primary fund of the District. The General Fund surplus as of June 30, 2024, was \$707,205, an increase of \$112,621 from the prior year. The District's General Fund did have the ability to transfer \$300,000 to the Special Reserve fund.

The Library and Building Sites Fund increased its fund balance to \$16,574 from \$4,292 the previous year.

The Special Reserve Fund increased its fund balance to \$615,617 from \$335,000 the previous year, which included a transfer of \$300,000 from the General Fund.

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025 (Continued)**

Governmental Funds Budgetary Highlights

Actual revenues in the General Fund were \$2,953,289, which outperformed budget estimates by \$137,457 due mainly to interest income. Additionally, actual expenditures were \$2,540,668, which underperformed budget estimates by \$219,627.

The General Fund's net change in revenues over expenditures was a positive \$112,621. Including the transfer out to the Special Reserve Fund of \$300,000, the fund balance increased to \$707,205 from \$594,584 the previous year.

Capital Asset Administration

The District's investment in capital assets, net of accumulated depreciation for governmental-type activities as of June 30, 2025, was \$2,852,491.

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
<u>Governmental Activities</u>				
Cost				
Tangible Assets Not Subject to Depreciation				
Land	\$ 572,331	\$ 0	\$ 0	\$ 572,331
Tangible Assets Subject to Depreciation				
Building and Improvements	5,476,710	242,062	0	5,718,772
Furniture and Equipment	725,688	0	0	725,688
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	0	41,195	0	41,195
Subtotal	<u>6,774,729</u>	<u>283,257</u>	<u>0</u>	<u>7,057,986</u>
Less - Accumulated Depreciation & Amortization				
Tangible Assets Subject to Depreciation				
Building and Improvements	(3,392,415)	(85,702)	0	(3,478,117)
Furniture and Equipment	(710,590)	(9,922)	0	(720,512)
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	0	(6,866)	0	(6,866)
Subtotal	<u>(4,103,005)</u>	<u>(102,490)</u>	<u>0</u>	<u>(4,205,495)</u>
Net Capital Assets	<u>\$ 2,671,724</u>	<u>\$ 180,767</u>	<u>\$ 0</u>	<u>\$ 2,852,491</u>

**Frankfort Public Library District
Management Discussion & Analysis
June 30, 2025 (Continued)**

Debt

As of June 30, 2025, the District has future long-term debt principal and interest payments outstanding of \$1,332,011. Please refer to Note 5 on pages 29-30.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely affect its financial health in the near future.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Library Director, Frankfort Public Library District, 21119 S Pfeiffer Rd, Frankfort, IL 60423.

Frankfort Public Library District
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 3,401,569
Receivables - Property Taxes	1,564,317
Prepaid Items	32,604
Capital Assets	
Capital Assets Not Being Depreciated	572,331
Other Capital Assets, Net of Depreciation	2,245,831
Finance Lease Right-of-Use, Net of Amortization	34,329
Total Capital Assets	<u>2,852,491</u>
Total Assets	<u>7,850,981</u>
Deferred Outflows	
Deferred Items - IMRF	<u>367,633</u>
Total Deferred Outflows	<u>367,633</u>
Liabilities	
Due Within One Year	
Accounts Payable	65,289
Accrued Payroll	33,800
Long-term Liabilities - Due Within One Year	
Compensated Absences	11,381
Finance Lease Obligation	7,685
Debt Certificate	140,290
Long-term Liabilities - Due in More than One Year	
Compensated Absences	45,525
Finance Lease Obligation	26,644
Debt Certificate	1,157,392
Net Pension Liability - IMRF	<u>968,196</u>
Total Liabilities	<u>2,456,202</u>
Deferred Inflows	
Deferred Property Taxes	3,191,200
Deferred Items - IMRF	<u>13,835</u>
Total Deferred Inflows	<u>3,205,035</u>
Net Position	
Net Investment in Capital Assets	1,520,480
Restricted for:	
Library Building and Sites Fund	16,574
Audit	14,485
Public Liability Insurance	23,939
Social Security	20,859
Working Cash	214,944
Unrestricted	<u>746,096</u>
Total Net Position	<u><u>\$ 2,557,377</u></u>

See Accompanying Notes to the Financial Statements

**Frankfort Public Library District
Statement of Activities
For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Library Services	\$ 2,911,415	\$ 66,787	\$ 169,077	\$ (2,675,551)
Interest on Long-Term Debt	45,654	0	0	(45,654)
Total Governmental Activities	<u>\$ 2,957,069</u>	<u>\$ 66,787</u>	<u>\$ 169,077</u>	<u>(2,721,205)</u>
General Revenues				
Taxes				
Property Taxes				3,027,593
Replacement Taxes				58,106
Interest Income				130,085
Miscellaneous				4,173
Total General Revenues				<u>3,219,957</u>
Change in Net Position				498,752
Net Position,				
Beginning of Year				<u>2,058,625</u>
End of Year				<u>\$ 2,557,377</u>

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Balance Sheet
Governmental Funds
June 30, 2025

	General	Library Building and Sites	Special Reserve	Other Governmental Funds	Total
Assets					
Cash and Cash Equivalents	\$ 2,085,979	\$ 172,931	\$ 615,617	\$ 527,042	\$ 3,401,569
Receivables					
Property Taxes	1,248,777	150,343	0	165,197	1,564,317
Prepaid Expenses	1,600	0	0	31,004	32,604
Total Assets	3,336,356	323,274	615,617	723,243	4,998,490
Deferred Outflows	0	0	0	0	0
Total Assets and Deferred Outflows	3,336,356	323,274	615,617	723,243	4,998,490
Liabilities					
Accounts Payable	47,851	0	0	17,438	65,289
Accrued Payroll	33,800	0	0	0	33,800
Total Liabilities	81,651	0	0	17,438	99,089
Deferred Inflows					
Deferred Property Taxes	2,547,500	306,700	0	337,000	3,191,200
Total Deferred Inflows	2,547,500	306,700	0	337,000	3,191,200
Fund Balances					
Nonspendable	1,600	0	0	214,944	216,544
Restricted	0	16,574	0	153,861	170,435
Assigned	0	0	615,617	0	615,617
Unassigned	705,605	0	0	0	705,605
Total Fund Balances	707,205	16,574	615,617	368,805	1,708,201
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,336,356	\$ 323,274	\$ 615,617	\$ 723,243	\$ 4,998,490

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Reconciliation of Fund Balances of the Governmental Funds to the
Governmental Activities in the Statement of Net Position
June 30, 2025

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

Amounts reported in the Statement of Net Position are different because:

Fund Balance - Balance Sheet of Governmental Funds	1,708,201
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	2,852,491
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:	
IMRF deferred items related to changes in pension assumptions and differences between expected and actual pension plan experience	367,633
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated Absences	(56,906)
Finance Lease Obligation	(34,329)
Debt Certificate	(1,297,682)
Net IMRF Pension Liability	(968,196)
IMRF deferred items related to difference between projected and actual earnings on pension plan investments and difference between expected and actual pension plan experience	(13,835)
Net Position of Governmental Activities	<u><u>\$ 2,557,377</u></u>

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Library Building and Sites	Special Reserve	Other Governmental Funds	Total
Revenues					
Property Taxes	\$ 2,535,247	\$ 225,321	\$ 0	\$ 267,025	\$ 3,027,593
Replacement Taxes	58,106	0	0	0	58,106
Grants and Donations	169,077	0	0	0	169,077
Rental, Fines, and Fees	66,787	0	0	0	66,787
Interest	120,022	0	0	10,063	130,085
Miscellaneous	4,050	0	0	123	4,173
Total Revenues	2,953,289	225,321	0	277,211	3,455,821
Expenditures					
Personnel	1,640,916	0	0	255,533	1,896,449
Library Materials	195,034	0	0	0	195,034
Library Operations	182,753	213,039	0	53,916	449,708
Other Professional Services	71,159	0	0	7,975	79,134
Debt					
Principal	124,541	0	0	0	124,541
Interest	45,654	0	0	0	45,654
Capital Outlay	280,611	0	19,383	0	299,994
Total Expenditures	2,540,668	213,039	19,383	317,424	3,090,514
Excess (Deficiency) of Revenues over Expenditures	412,621	12,282	(19,383)	(40,213)	365,307
Other Financing Sources (Uses)					
Issuance of Debt Proceeds	1,344,445	0	0	0	1,344,445
Principal Payment on Debt	(1,344,445)	0	0	0	(1,344,445)
Transfers In	0	0	300,000	0	300,000
Transfers Out	(300,000)	0	0	0	(300,000)
Total Other Financing Sources (Uses)	(300,000)	0	300,000	0	0
Net Change in Fund Balances	112,621	12,282	280,617	(40,213)	365,307
Fund Balances, Beginning of Year	594,584	4,292	335,000	409,018	1,342,894
End of Year	\$ 707,205	\$ 16,574	\$ 615,617	\$ 368,805	\$ 1,708,201

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Governmental Activities in the Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 365,307

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlays	242,062
Depreciation expense	(95,624)
Amortization expense of right-of-use assets	(6,866)

Governmental funds report debt payments as expenditures and debt issuances as revenue. However, in the statement of activities, debt payments and debt issuances are not reported as expenditures and revenue, respectively.

Issuance of Debt Issuance	(1,344,445)
Principal Payments on Finance Lease Obligation	6,866
Principal Payments on Debt	1,468,987

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in the following deferred items related to pension investment experience, changes in pension assumptions, and difference between expected and actual pension plan experience:

Deferred Outflows - IMRF	(127,163)
--------------------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in Compensated Absences	(3,183)
Change in Net Pension Liability - IMRF	(27,579)

Change in the following deferred items related to difference between expected and actual pension plan experience:

Deferred Inflows - IMRF	20,390
-------------------------	--------

Change in Net Position of Governmental Activities	\$ 498,752
--	-------------------

**Frankfort Public Library District
Notes to the Financial Statements
For the Year Ended June 30, 2025**

1. Summary of Significant Accounting Policies

The District is incorporated in Frankfort, Illinois. The mission of the District is to maintain excellence in providing the best possible materials in regard to educational, technological, and recreational use for its community. The District's focus is to continue to research, evaluate, and generate outreach programs for the benefit of the Frankfort community.

The financial statements of the Frankfort Public Library District (the "District") have been prepared in conformity with Generally Accepted Accounting Principles as applied to local governments. The Governmental Accounting Standards Board 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:

Financial Reporting Entity

The accompanying financial statements present the District's primary government and any component units over which the District exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District (as distinct from legal relationships). Management has considered all potential component units and has determined that there are no entities outside of the primary government that should be blended into or discretely presented with the District's financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District as a whole (except for fiduciary activities) and distinguish between the governmental and business-type activities of the District. Governmental activities, which are normally supported by taxes and governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's library services and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 in program revenues are reported as general revenues.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds include other Special Revenue funds. The combined amounts for these funds are reflected in a single column titled "Other Governmental Funds" in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules in the supplemental schedules of the financial statements.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures, and expenses of the individual governmental fund or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type and;

Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures, and expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements when applicable. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are those which governmental functions of the District finance. The acquisition, use, and balances of the District's expendable resources and the related liabilities are accounted for through governmental funds. 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. For this purpose, the government does *not* consider revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales taxes, franchise taxes, licenses, charges for service, amounts due from other governments, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if applicable. Charges for sales and services and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

Basis of Presentation

The accounts of the District are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The various funds are summarized by type within the financial statements.

The District reports the following major governmental fund:

The General Fund is the primary operating fund. It accounts for all financial resources of the general government. Expenditures from this fund provide basic District services, such as finance and data processing, personnel, and general administration of the District. Revenue sources include taxes, which include property taxes, replacement taxes, interest income, and other income.

The Building and Maintenance Fund is used to account for the purchase of sites and buildings, for the construction and equipment of buildings, for the rental of buildings required for Library purposes, and for maintenance, repairs, and alterations of Library buildings and equipment, and the annual property taxes specifically levied to fund those costs.

The Special Reserve Fund is used to account for special projects as the Board designates. Funding is generally from excess fund transfers from the General Fund.

Additional governmental fund types, which are combined as non-major funds, are as follows:

Non-major Special Revenue Funds: These funds are used to account for and report the proceeds of specific revenue sources that are restricted or assigned to expenditure for a specific purpose. The District reports the Illinois Municipal Retirement Fund, Audit Fund, Public Liability Insurance Fund, Social Security Fund, and as non-major special revenue funds.

Permanent Funds: These funds are used to report that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. The District reports the Working Cash Fund as a permanent fund.

Proprietary fund level financial statements are used to account for activities that are similar to those found in the private sector. The measurement focus is upon the determination of net income, financial position, and cash flows. The District reports no proprietary funds.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

When applicable, on the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board.

Fiduciary fund level financial statements are custodial in nature and are merely clearing accounts for assets held by the District as an agent for individuals, private organizations, or other governments. Fiduciary funds are excluded from government-wide financial statements. The District reports no fiduciary funds.

Cash and Investments

For the 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 a fiscal agent. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Pooled Cash

Cash resources of the individual governmental fund types are combined to form a pool of cash and, when applicable, investments. At June 30, 2025, the District's cash was deposited in demand accounts and money market savings accounts.

Interfund Activity

During the course of normal operations, the District has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of Governmental Funds and, when applicable, Proprietary Funds. Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables. Short-term amounts owed between funds are classified as "Due to/from other funds."

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Receivables

Receivables consist of all revenues earned at year-end that are not yet received as of June 30, 2025. Major receivable balances for governmental activities include property taxes and replacement taxes. The District carries its receivables at cost less an allowance for doubtful accounts. On a periodic basis, the District evaluates its receivables and establishes the amount of its allowance for doubtful accounts based on a history of past write-offs and collections. The allowance for doubtful accounts amounts to \$0 for property taxes receivable.

Prepaid Items and Prepaid Expenditures

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items/expenditures using the consumption method of recognition.

Inventory

Inventory is valued at a cost that approximates the lower of cost or net realizable value using the first-in/first-out (FIFO) method. The District reports no inventory as of June 30, 2025.

Deferred Revenue/Unearned Revenue

When applicable, the District reports unearned revenues on its Statement of Net Position and deferred revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet, and revenue is recognized accordingly.

Compensated Absences

Accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. District employees are entitled to paid vacation time and sick leave in varying amounts based on years of service. Upon termination, employees will be paid for unused vacation but not for unused sick pay benefits. The District accrues accumulated unpaid vacation in the government-wide financial statements.

**Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025**

1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and, when applicable, infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$1,000 or more. Capital assets are recorded at historical cost if purchased or constructed or at estimated historical cost if the actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is computed using the straight-line method over the following estimated lives:

Building and Improvements	15 to 40 years
Furniture and Equipment	5 years

GASB Statement 34 requires the reporting and depreciation of the new infrastructure expenditures effective at the beginning of the implementation year.

Finance Leases

Leases that span more than twelve months that are material in nature to the financial statements and that do not transfer ownership are recognized as a right-of-use asset and finance lease liability. The right-of-use assets are measured at an amount equal to the present value of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use assets are amortized on a straight-line basis over the life of the related lease. Finance leases that transfer ownership that are material in nature to the financial statements are recognized as capital assets at cost and a related lease liability. The District reports no finance leases.

Subscription-Based Information Technology Arrangements

A Subscription-Based Information Technology Arrangements ("SBITAs") is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITAs that span more than twelve months that are material in nature to the financial statements are recognized as a subscription right-of-use asset and subscription liability. The right-of-use assets are measured at an amount equal to the present value of the related subscription liability. The right-of-use assets are amortized on a straight-line basis over the life of the related subscription. The District reports no material long-term SBITAs.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources, or expenses/expenditures, until then. The District has deferred changes in proportion dealing with pensions and contributions made after the measurement date. The District currently does not have deferred charges on refunding debt. These represent a consumption of net position that applies to future periods and is not recognized as an outflow of resources until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources, or revenues, until that time. A deferred inflow of resources dealing with a pension is reported for the differences between expected and actual experience, the net difference between projected and actual earnings on pension investments, and changes of assumptions. Currently, the District does not have non-exchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. As such, deferred property taxes are not reported as a deferred inflow on the government-wide statement of net position.

Long-Term Liabilities

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Non-spendable fund balance - The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Committed fund balance - Amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the District Board of Trustees - the government's highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the District Board of Trustees removes the specified use by ordinance. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects assets constrained by the expressed written intent of the District Board of Trustees for capital equipment and/or capital projects.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed. The District does not have a stabilization policy established.

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. If different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first, followed by assigned, and, lastly, unassigned funds.

Net Position Classifications

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

Net investment in capital assets - These amounts consist of capital assets net of accumulated depreciation and are reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent bonds or other debt proceeds.

Restricted net position - These amounts consist of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. It is the District's policy to consider the restricted net position to have been depleted before the unrestricted net position is applied.

Unrestricted net position - These amounts consist of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Budgets

The Board of Trustees follows these procedures in establishing the budget:

1. The Director and budget committee prepare a proposed operating budget, which is submitted to the Board of Trustees for their approval. The budget document is made available for public inspection for at least 30 days prior to Board action.
2. The Board of Trustees is required to hold at least one public hearing prior to the passage of the annual Budget and Appropriation Ordinance. The budget is an estimate of actual expenditures, and the appropriation represents the legal spending limit.
3. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal year (July 1).
4. The Board of Trustees has the power to: Amend the Budget and Appropriation Ordinance in the same manner as its enactment, transfer between line items of any fund an amount not exceeding in the aggregate 10% of the total amount appropriated for that fund, and after six months of the fiscal year, by a two-thirds vote, transfer any appropriation item it anticipates being unexpended to any other appropriation item.
5. Expenditures legally may not exceed the total appropriations at the fund level. All unspent budgetary amounts lapse at year-end. The budget information in the financial statements includes adjustments made during the year.

The budget is prepared for all funds on the same basis as the basic financial statements and is consistent with GAAP. The budget is derived from the annual Budget and Appropriation Ordinance of the District. All budgetary funds are controlled by an integrated budgetary accounting system in accordance with various legal requirements which govern the District.

Use of 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 expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes are levied in November of each year on all taxable real property in the District and attach as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by the County and are payable in two installments on or about March 1 (Cook County) and June 1 (Will County) and on or about August 1 (Cook County) and September 1 (Will County).

The County Collector collects such taxes and remits them periodically. The 2024 levy is intended to finance the fiscal year ending June 30, 2025. Therefore, collections and property taxes receivable of this levy as of June 30, 2025 have been recorded as deferred inflows of resources.

**Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025**

2. Deposits

Deposits

At June 30, 2025, the carrying amount of the District's demand deposits in financial institutions was \$3,401,569, and the bank balance was \$3,453,650.

Custodial Credit Risk - Deposits

In the case of cash deposits, there is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District's investment policy requires all deposits with financial institutions in excess of federal depository insurance to be collateralized with collateral held by an independent third-party institution in the name of the District. The District had no uninsured and uncollateralized deposits as of June 30, 2025.

3. Investments

Policies for Investments

It is the policy of the District to invest public funds in a manner to conform to all state and local statutes governing the investment of public funds; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives, in priority order, of safety, liquidity, return on investment and public trust.

The District's general credit risk policy is to apply the prudent person rule: Investments shall be made with the exercise of judgment and care, under the circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The Illinois Compiled Statutes (ILCS) permits the District to invest in: bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, bonds, notes debentures or similar obligations of the agencies of the United States of America; interest-bearing savings accounts, certificates of deposit, time deposits or other investment constituting direct obligations of a bank as defined by the Illinois Banking Act; short-term obligations (maturing within 180 days of dates of purchase) of corporations with assets exceeding \$500 million (such obligations must be rated at the time of purchase as AAA by at least two standard rating services); money market mutual funds registered under the Investment Company Act of 1940 which invest only in bonds, notes, certificates of indebtedness, treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest and agrees to repurchase such obligations; state and local government obligations; The Illinois Funds or a fund managed, operated and administered by a bank and other securities as allowed by the Illinois Public Funds Investment Act.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

3. Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that a 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 structuring the portfolio to provide liquidity. The District will not invest in securities maturing more than three years from the date of purchase unless matched to a specific cash flow. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the Public Library District Board.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the District's investment policy, the District limits its exposure to custodial credit risk by utilizing an independent third-party institution to act as a custodian for its securities and collateral.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The District's investment policy requires diversification of investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

4. Capital Assets

Capital asset activity for the year ended June 30, 2025, consisted of the following:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
<u>Governmental Activities</u>				
Cost				
Tangible Assets Not Subject to Depreciation				
Land	\$ 572,331	\$ 0	\$ 0	\$ 572,331
Tangible Assets Subject to Depreciation				
Building and Improvements	5,476,710	242,062	0	5,718,772
Furniture and Equipment	725,688	0	0	725,688
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	0	41,195	0	41,195
Subtotal	<u>6,774,729</u>	<u>283,257</u>	<u>0</u>	<u>7,057,986</u>
Less - Accumulated Depreciation & Amortization				
Tangible Assets Subject to Depreciation				
Building and Improvements	(3,392,415)	(85,702)	0	(3,478,117)
Furniture and Equipment	(710,590)	(9,922)	0	(720,512)
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	0	(6,866)	0	(6,866)
Subtotal	<u>(4,103,005)</u>	<u>(102,490)</u>	<u>0</u>	<u>(4,205,495)</u>
Net Capital Assets	<u>\$ 2,671,724</u>	<u>\$ 180,767</u>	<u>\$ 0</u>	<u>\$ 2,852,491</u>

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

Governmental Activities – Library Services \$ 102,490

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

5. Long-term Liabilities

The District enters into debt transactions for the acquisition of capital construction. Note payables are direct obligations and pledge the full faith and credit of the Library. The following debt commitment exists as of June 30, 2025:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Amount Due Within One Year	Debt Retired By Fund
Note Payables						
Note Payable dated 2/7/2020	\$ 1,422,224	\$ 0	\$(1,422,224)	\$ 0	\$ 0	General
Debt Certificate	0	1,344,445	(46,763)	1,297,682	140,290	General
Subtotal Note Payables	<u>1,422,224</u>	<u>1,344,445</u>	<u>(1,468,987)</u>	<u>1,297,682</u>	<u>140,290</u>	
Finance Lease Obligation						
No Ownership Transfer						
Copier Lease	0	41,195	(6,866)	34,329	7,865	General
Subtotal Finance Lease Obligation	<u>0</u>	<u>41,195</u>	<u>(6,866)</u>	<u>34,329</u>	<u>7,865</u>	
Total Debt Payable	<u>\$ 1,422,224</u>	<u>\$ 1,385,640</u>	<u>\$(1,475,853)</u>	<u>\$ 1,332,011</u>	<u>\$ 148,155</u>	

Notes Payable

Note Payable dated February 7, 2020 - \$2,000,000 original principal; monthly installments of \$11,111 to \$1,344,445 plus interest at 2.90% through February 7, 2025.

Debt Certificate dated February 7, 2025 - \$1,344,445 original principal; monthly principal installments of \$11,691 plus interest at 4.15% through September 7, 2034.

Finance Lease Obligations

Copier Lease, \$41,195 - Dated August 1, 2025; payments of \$787 are due in sixty monthly payments. A discount rate of 5.75% has been estimated by the District. The lease does not transfer ownership to the District.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

5. Long-term Liabilities (Continued)

The District's future minimum debt payments are as follows:

Debt Certificate			
Fiscal Year(s)	Principal	Interest	Total
June 30, 2026	\$ 140,290	\$ 51,185	\$ 191,475
June 30, 2027	140,290	45,353	185,643
June 30, 2028	140,290	39,541	179,831
June 30, 2029	140,290	33,719	174,009
June 30, 2030	140,290	22,897	163,187
June 30, 2031 - 2035	596,232	53,612	649,844
	<u>\$ 1,297,682</u>	<u>\$ 246,307</u>	<u>\$ 1,543,989</u>

Finance Lease Obligation			
Fiscal Year(s)	Principal	Interest	Total
June 30, 2026	\$ 7,685	\$ 1,758	\$ 9,443
June 30, 2027	8,135	1,308	9,443
June 30, 2028	8,611	832	9,443
June 30, 2029	9,115	328	9,443
June 30, 2030	783	3	786
	<u>\$ 34,329</u>	<u>\$ 4,229</u>	<u>\$ 38,558</u>

Other long-term liabilities activity is as follows:

	Balance June 30, 2024	Additions and Other Changes	Retirements	Balance June 30, 2025	Amount Due Within One Year
Other Long-term Liabilities					
Pension Liability/(Asset)	\$ 940,617	\$ 383,831	\$ (356,252)	\$ 968,196	\$ 0
Compensated Absences (*)	53,724	3,182	0	56,906	11,381
Total	<u>\$ 994,341</u>	<u>\$ 387,013</u>	<u>\$ (356,252)</u>	<u>\$ 1,025,102</u>	<u>\$ 11,381</u>

* - The change in the compensated absences liability is presented as a net change.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

6. Compliance and Accountability

At June 30, 2025, none of the District's funds had deficit fund balances.

At June 30, 2025, the following District's funds had an excess of actual expenditures over the legally enacted budgeted amounts:

Funds	Budget	Actual	Variance
Library Building and Sites	\$ 195,000	\$ 213,039	\$ (18,039)
Public Liability Insurance	50,400	53,916	(3,516)

7. Interfund Transactions

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

At June 30, 2025, no interfund receivables and payables exist.

During the year ended June 30, 2025, interfund transfers were as follows:

Fund	Transfer from Other Funds	Transfer to Other Funds
General	\$ 0	\$ 300,000
Special Revenue	300,000	0
	<u>\$ 300,000</u>	<u>\$ 300,000</u>

8. Risk Management

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; natural disasters; and employee health. These risks are covered by commercial insurance purchased from independent third parties.

9. Commitments and Contingencies

As of June 30, 2025, the District had no material commitments and no contingencies.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

10. Evaluation of Subsequent Events

The District has evaluated subsequent events through October 6, 2025, the date which the financial statements were available to be issued.

11. Governmental Accounting Standards Board (GASB) Statements

Recently Implemented GASB Statements Relevant to the Library

Statement No. 100, *Accounting Changes and Error Corrections*, issued in June 2022, was adopted by the Library during the year ended June 30, 2025.

Statement No. 101, *Compensated Absences*, issued in June 2022, was adopted by the Library during the year ended June 30, 2025.

Upcoming GASB Statements Relevant to the Library

Statement No. 102, *Certain Risk Disclosures*, issued in December 2023, will be adopted by the Library during the year ended June 30, 2026.

Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024, will be adopted by the Library during the year ended June 30, 2027.

The Library management has not yet determined the effect these Statements will have on the Library's financial statements.

12. Other Post-Employment Benefits (OPEB)

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. However, no former employees have chosen to stay in the District's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any post-employment benefits liability as of June 30, 2025.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

13. Retirement Fund Commitments

Illinois Municipal Retirement Fund

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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1, every year after retirement. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Funding Policy. As set by statute, the District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate from the fiscal year 2025 was 10.06 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost. The required contribution for the fiscal year 2025 was \$141,427.

Actuarial Valuation Date	December 31, 2024
Measurement Date of the Net Pension Liability	December 31, 2024
Fiscal Year End	June 30, 2025
Membership	
Number of	
- Retirees and Beneficiaries	41
- Inactive, Non-Retired Members	20
- Active Members	27
- Total	<u>88</u>
Covered Valuation Payroll	<u>\$ 1,394,699</u>
Net Pension Liability	
Total Pension Liability/(Asset)	\$ 6,783,526
Plan Fiduciary Net Position	<u>5,815,330</u>
Net Pension Liability/(Asset)	<u>\$ 968,196</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.73%
Net Pension Liability as a Percentage of Covered Valuation Payroll	69.42%
Development of the Single Discount Rate as of December 31, 2024	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	4.08%
Last year December 31 in the 2025 to 2124 projection period	
for which projected benefit payments are fully funded	2124
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate Calculated using December 31, 2023 Measurement Date	7.25%
Total Pension Expense/(Income)	<u><u>\$ 280,922</u></u>

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Deferred Outflows of Resources	Deferred Inflows of Resources
1. Difference between expected and actual experience	\$ 161,264	\$ 13,835
2. Assumption Changes	3,241	0
3. Net Difference between projected and actual earnings on pension plan investments	130,967	0
4. Subtotal	295,472	13,835
5. Pension contributions made subsequent to the measurement date	72,161	0
6. Total	<u>\$ 367,633</u>	<u>\$ 13,835</u>

Deferred outflows and deferred inflows of resources will be recognized in future pension expense as follows:

Plan Year Ending December 31	Net Deferred Outflows of Resources
2025	\$ 138,414
2026	233,675
2027	(59,776)
2028	(30,676)
2029	0
Thereafter	0
	<u>\$ 281,637</u>

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 real geometric rates of return for each major asset class are summarized in the following table as of December 31, 2024.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.50%	6.50%
International Equity	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternative Investments	9.50%	6.25% - 9.90%
Cash Equivalents	1.00%	4.00%
	<u>100.00%</u>	

The single discount rate is calculated in accordance with GASB Statement No. 68. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph. The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; the resulting single discount rate is 7.25%.

Sensitivity of Net Pension Liability/(Asset) to the
Single Discount Rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 7,623,654	\$ 6,783,526	\$ 6,114,713
Plan Fiduciary Net Position	5,815,330	5,815,330	5,815,330
Net Pension Liability/(Asset)	<u>\$ 1,808,324</u>	<u>\$ 968,196</u>	<u>\$ 299,383</u>

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Summary of Actuarial Methods and Assumptions
Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 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 MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disable 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.

Frankfort Public Library District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

13. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Calendar Year Ended December 31, 2024

A. Total pension liability		
1. Service cost	\$	130,616
2. Interest on the total pension liability		456,517
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the total pension liability		143,035
5. Changes of assumptions		0
6. Benefit payments, including refunds of employee contributions		(356,252)
7. Net change in total pension liability		373,916
8. Total pension liability— beginning		6,409,610
9. Total pension liability – ending	\$	6,783,526
B. Plan fiduciary net position		
1. Contributions – employer	\$	145,328
2. Contributions – employee		62,762
3. Net investment income		542,762
4. Benefit payments, including refunds of employee contributions		(356,252)
5. Other (net transfer)		(48,263)
6. Net change in plan fiduciary net position		346,337
7. Plan fiduciary net position – beginning		5,468,993
8. Plan fiduciary net position – ending	\$	5,815,330
C. Net pension liability/(asset)	\$	968,196
D. Plan fiduciary net position as a percentage of the total pension liability		
		85.73%
E. Covered Valuation Payroll	\$	1,394,699
F. Net pension liability as a percentage of covered valuation payroll		
		69.42%

**Frankfort Public Library District
IMRF Pension Disclosures
For the Year Ended June 30, 2025**

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Contributions
Last 10 Fiscal Years (When Available)

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2016	\$ 136,470	\$ 136,470	\$ 0	\$ 1,187,729	11.49%
2017	135,717	135,717	0	1,174,023	11.56%
2018	133,368	133,368	0	1,145,769	11.64%
2019	134,308	134,308	0	1,147,073	11.71%
2020	154,055	159,393	5,338	1,201,631	13.26%
2021	200,304	200,304	0	1,233,469	16.24%
2022	252,980	252,980	0	1,276,251	19.82%
2023	219,984	219,984	0	1,318,670	16.68%
2024	143,513	143,513	0	1,402,069	10.24%
2025	141,427	141,427	0	1,405,806	10.06%

Notes to the Multiyear Schedule of Contributions:

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 20 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of 7.25% annually and projected salary increases assumption of 2.75% to 13.75% plus 2.25% for inflation compounded annually.

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

**Frankfort Public Library District
IMRF Pension Disclosures (Continued)
For the Year Ended June 30, 2025**

REQUIRED SUPPLEMENTARY INFORMATION

Plan Year Ending December 31, Total pension liability ("TPL")	Multiyear Schedule of Changes in Net Pension Liability and Related Ratios									
	Last 10 Plan Years (When Available)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service cost	\$ 130,616	\$ 128,534	\$ 123,208	\$ 124,561	\$ 126,118	\$ 121,683	\$ 120,945	\$ 128,543	\$ 138,395	\$ 133,910
Interest on the TPL	456,517	430,515	421,022	396,882	379,229	353,257	316,763	320,046	298,858	275,389
Changes of benefit terms	0	0	0	0	0	0	0	0	0	0
Difference between expected and actual experience of the TPL	143,035	141,082	(75,005)	145,261	126,049	174,819	357,253	(109,781)	24,689	54,827
Changes of assumptions	0	7,263	0	0	(74,279)	0	145,758	(134,303)	(16,716)	5,218
Benefit payments, including refunds of employee contributions	(356,252)	(343,300)	(338,615)	(327,502)	(298,209)	(289,276)	(294,893)	(194,059)	(153,541)	(151,401)
Net change in total pension liability	373,916	364,094	130,610	339,202	258,908	360,483	645,826	10,446	291,685	317,943
Total pension liability— beginning	<u>6,409,610</u>	<u>6,045,516</u>	<u>5,914,906</u>	<u>5,575,704</u>	<u>5,316,796</u>	<u>4,956,313</u>	<u>4,310,487</u>	<u>4,300,041</u>	<u>4,008,356</u>	<u>3,690,413</u>
Total pension liability – ending	<u>\$ 6,783,526</u>	<u>\$ 6,409,610</u>	<u>\$ 6,045,516</u>	<u>\$ 5,914,906</u>	<u>\$ 5,575,704</u>	<u>\$ 5,316,796</u>	<u>\$ 4,956,313</u>	<u>\$ 4,310,487</u>	<u>\$ 4,300,041</u>	<u>\$ 4,008,356</u>
Plan fiduciary net position										
Contributions – employer	\$ 145,328	\$ 152,405	\$ 271,789	\$ 233,749	\$ 183,664	\$ 130,624	\$ 138,156	\$ 133,368	\$ 135,717	\$ 136,470
Contributions – employee	62,762	61,212	57,233	57,454	55,843	52,389	73,191	58,474	56,227	53,448
Net investment income	542,762	546,336	(748,533)	842,860	631,690	709,739	(219,670)	592,299	219,571	15,602
Benefit payments, including refunds of employee contributions	(356,252)	(343,300)	(338,615)	(327,502)	(298,209)	(289,276)	(294,893)	(194,059)	(153,541)	(151,401)
Other (net transfer)	(48,263)	136,921	(73,136)	23,217	36,155	45,823	180,113	(258,656)	28,203	8,632
Net change in plan fiduciary net position	346,337	553,574	(831,262)	829,778	609,143	649,299	(123,103)	331,426	286,177	62,751
Plan fiduciary net position - Beginning	<u>5,468,993</u>	<u>4,915,419</u>	<u>5,746,681</u>	<u>4,916,903</u>	<u>4,307,760</u>	<u>3,658,461</u>	<u>3,781,564</u>	<u>3,450,138</u>	<u>3,163,961</u>	<u>3,101,210</u>
Plan fiduciary net position - Ending	<u>\$ 5,815,330</u>	<u>\$ 5,468,993</u>	<u>\$ 4,915,419</u>	<u>\$ 5,746,681</u>	<u>\$ 4,916,903</u>	<u>\$ 4,307,760</u>	<u>\$ 3,658,461</u>	<u>\$ 3,781,564</u>	<u>\$ 3,450,138</u>	<u>\$ 3,163,961</u>
Net pension liability / (asset)	<u>\$ 968,196</u>	<u>\$ 940,617</u>	<u>\$ 1,130,097</u>	<u>\$ 168,225</u>	<u>\$ 658,801</u>	<u>\$ 1,009,036</u>	<u>\$ 1,297,852</u>	<u>\$ 528,923</u>	<u>\$ 849,903</u>	<u>\$ 844,395</u>
Plan fiduciary net position as a percent of the TPL	85.73%	85.32%	81.31%	97.16%	88.18%	81.02%	73.81%	87.73%	80.24%	78.93%
Covered Valuation Payroll ("CVP")	\$ 1,394,699	\$ 1,360,255	\$ 1,271,831	\$ 1,226,310	\$ 1,240,961	\$ 1,164,209	\$ 1,160,974	\$ 1,145,769	\$ 1,174,023	\$ 1,187,729
Net pension liability as a % of CVP	69.42%	69.15%	88.86%	13.72%	53.09%	86.67%	111.79%	46.16%	72.39%	71.09%

Notes to the Multiyear Schedule of Changes in Employer's Net Pension Liability

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

Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 2,535,430	\$ 2,535,430	\$ 2,535,247	\$ (183)
Replacement Taxes	65,000	65,000	58,106	(6,894)
Grants and Donations	112,902	112,902	169,077	56,175
Rental, Fines, and Fees	36,500	36,500	66,787	30,287
Interest	65,000	65,000	120,022	55,022
Miscellaneous	1,000	1,000	4,050	3,050
Total Revenues	2,815,832	2,815,832	2,953,289	137,457
Expenditures				
Current				
Personnel	1,775,716	1,775,716	1,640,916	134,800
Library Materials	200,250	200,250	195,034	5,216
Library Operations	185,390	185,390	182,753	2,637
Other Professional Services	81,000	81,000	71,159	9,841
Debt Service				
Principal	133,333	133,333	124,541	8,792
Interest	90,000	90,000	45,654	44,346
Capital Outlay	294,606	294,606	280,611	13,995
Total Expenditures	2,760,295	2,760,295	2,540,668	219,627
Excess (Deficiency) of				
Revenues over Expenditures	55,537	55,537	412,621	357,084
Other Financing Sources (Uses)				
Issuance of Debt Proceeds	0	0	1,344,445	1,344,445
Principal Payment on Debt	0	0	(1,344,445)	(1,344,445)
Transfers Out	0	0	(300,000)	(300,000)
Total Other Financing Sources (Uses)	0	0	(300,000)	(300,000)
Net Change in Fund Balance	\$ 55,537	\$ 55,537	112,621	\$ 57,084
Fund Balance,				
Beginning of Year			594,584	
End of Year			\$ 707,205	

See Independent Auditors' Report

**Frankfort Public Library District
Library Building and Sites Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 224,911	\$ 224,911	\$ 225,321	\$ 410
Total Revenues	<u>224,911</u>	<u>224,911</u>	<u>225,321</u>	<u>410</u>
Expenditures				
Contractual				
Building Utilities	76,000	76,000	79,120	(3,120)
Building Maintenance	109,000	109,000	85,766	23,234
Building Supplies	10,000	10,000	47,778	(37,778)
Donation Expense	0	0	375	(375)
Total Expenditures	<u>195,000</u>	<u>195,000</u>	<u>213,039</u>	<u>(18,039)</u>
Net Change in Fund Balance	<u>\$ 29,911</u>	<u>\$ 29,911</u>	<u>12,282</u>	<u>\$ (17,629)</u>
Fund Balance,				
Beginning of Year			<u>4,292</u>	
End of Year			<u>\$ 16,574</u>	

See Independent Auditors' Report

Frankfort Public Library District
Special Reserve Fund
No Legally Adopted Budget
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	<u>Actual</u>
Total Revenues	<u>\$ 0</u>
Expenditures	
Capital Outlay	<u>19,383</u>
Total Expenditures	<u>19,383</u>
Excess (Deficiency) of Revenues over Expenditures	(19,383)
Other Financing Sources	
Transfers In	<u>300,000</u>
Total Other Financing Sources	<u>300,000</u>
Net Change in Fund Balance	280,617
Fund Balance,	
Beginning of Year	<u>335,000</u>
End of Year	<u><u>\$ 615,617</u></u>

See Independent Auditors' Report

Frankfort Public Library District
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Budgets are adopted on a basis consistent with generally accepted accounting principles. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Expenditures
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Personnel				
Salaries	\$ 1,645,385	\$ 1,645,385	\$ 1,529,689	\$ 115,696
Health Insurance	130,331	130,331	111,227	19,104
Total Personnel	1,775,716	1,775,716	1,640,916	134,800
Library Materials				
Books - Adult	65,000	65,000	65,756	(756)
Books - Youth	41,500	41,500	38,711	2,789
Periodicals	7,750	7,750	8,928	(1,178)
Spoken Word - Adult	5,000	5,000	1,650	3,350
Spoken Word - Youth	1,000	1,000	3,257	(2,257)
Videos - Adult	10,000	10,000	9,439	561
Videos - Youth	5,500	5,500	5,798	(298)
Digital Materials - Adult	38,000	38,000	39,413	(1,413)
Digital Materials - Youth	5,500	5,500	6,394	(894)
Circulating Materials	3,000	3,000	0	3,000
Electronic Info - Databases	18,000	18,000	15,688	2,312
Total Library Materials	200,250	200,250	195,034	5,216
Library Operations				
Programming	26,890	26,890	25,408	1,482
Outreach	0	0	2,240	(2,240)
Circulation System	45,000	45,000	42,859	2,141
Technology	45,000	45,000	50,388	(5,388)
Office and Library Equipment	16,000	16,000	9,007	6,993
Office and Library Supplies	8,000	8,000	7,429	571
Learning Lab Supplies	2,500	2,500	2,492	8
Technical Processing	10,500	10,500	10,280	220
Marketing and Promotion	20,000	20,000	19,615	385
Telephone	11,500	11,500	13,035	(1,535)
Total Library Operations	185,390	185,390	182,753	2,637
Subtotal Forward	\$ 2,161,356	\$ 2,161,356	\$ 2,018,703	\$ 142,653

**Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Expenditures (Continued)
For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures (Continued)				
Subtotal Forwarded	<u>\$ 2,161,356</u>	<u>\$ 2,161,356</u>	<u>\$ 2,018,703</u>	<u>\$ 142,653</u>
Other Professional Services				
Legal Fees and Ads	8,000	8,000	3,307	4,693
Professional Development	11,000	11,000	14,150	(3,150)
Professional Services	62,000	62,000	53,702	8,298
Total Other				
Professional Services	<u>81,000</u>	<u>81,000</u>	<u>71,159</u>	<u>9,841</u>
Debt				
Principal	133,333	133,333	124,541	8,792
Interest	90,000	90,000	45,654	44,346
Total Debt Principal	<u>223,333</u>	<u>223,333</u>	<u>170,195</u>	<u>53,138</u>
Capital Outlay				
Furniture and Fixtures	12,000	12,000	1,921	10,079
Grant Expenses	62,606	62,606	68,008	(5,402)
Capital Project Expenses	220,000	220,000	210,682	9,318
Total Capital Outlay	<u>294,606</u>	<u>294,606</u>	<u>280,611</u>	<u>13,995</u>
Total Expenditures	<u><u>\$ 2,760,295</u></u>	<u><u>\$ 2,760,295</u></u>	<u><u>\$ 2,540,668</u></u>	<u><u>\$ 219,627</u></u>

Frankfort Public Library District
Notes to Supplementary Information
For the Year Ended June 30, 2025

Individual Fund Descriptions

Illinois Municipal Retirement Fund

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

Audit Fund

The Audit Fund is used to account for audit fees and the annual property taxes specifically levied to fund those costs.

Public Liability Insurance Fund

The Public Liability Insurance Fund is used to account for the Library's annual liability insurance costs and the annual property taxes specifically levied to fund those costs.

Social Security Fund

The Social Security Fund is used to account for the Library's portion of Social Security and Medicare paid on behalf of its employees. Financing is provided by a specific annual property tax levy which produces a sufficient amount to pay the Library's portion.

Special Reserve Fund

The Special Reserve Fund is used to account for the expansion and improvement of library service by the development of a modern comprehensive library facility through expert studies and /or consultants, purchase of real estate site for buildings, construction of facility or the remodeling, repairing, improving or addition to existing facilities or for the purchase of necessary equipment and materials for or in anticipation of such expanded library facilities or all of these objects.

Working Cash Fund

The Working Cash Fund is used to account for payments for general government expenditures if tax revenue is temporarily unavailable. Upon receipt of tax revenues, the general fund must repay this permanent fund.

Frankfort Public Library District
Combining Fund Schedule - Non-major Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds					
	Illinois Municipal Retirement	Audit	Public Liability Insurance	Social Security	Working Cash	Total
Assets						
Cash and Cash Equivalents	\$ 200,212	\$ 17,034	\$ 23,013	\$ 71,839	\$ 214,944	\$ 527,042
Receivables						
Property Taxes	84,804	2,451	28,922	49,020	0	165,197
Prepaid Expenses	0	0	31,004	0	0	31,004
Total Assets	285,016	19,485	82,939	120,859	214,944	723,243
Deferred Outflows	0	0	0	0	0	0
Total Assets and Deferred Outflows	285,016	19,485	82,939	120,859	214,944	723,243
Liabilities						
Accounts Payable	17,438	0	0	0	0	17,438
Total Liabilities	17,438	0	0	0	0	17,438
Deferred Inflows						
Deferred Property Taxes	173,000	5,000	59,000	100,000	0	337,000
Total Deferred Inflows	173,000	5,000	59,000	100,000	0	337,000
Fund Balances						
Nonspendable	0	0	0	0	214,944	214,944
Restricted	94,578	14,485	23,939	20,859	0	153,861
Total Fund Balances	94,578	14,485	23,939	20,859	214,944	368,805
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 285,016	\$ 19,485	\$ 82,939	\$ 120,859	\$ 214,944	\$ 723,243

Frankfort Public Library District
Combining Fund Schedule - Non-major Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue Funds					
	Illinois Municipal Retirement	Audit	Public Liability Insurance	Social Security	Working Cash	Total
Revenues						
Property Taxes	\$ 167,127	\$ 3,252	\$ 5,572	\$ 91,074	\$ 0	\$ 267,025
Interest	0	0	0	0	10,063	10,063
Miscellaneous	0	0	123	0	0	123
Total Revenues	167,127	3,252	5,695	91,074	10,063	277,211
Expenditures						
Fringe Benefits						
Social Security	0	0	0	114,106	0	114,106
IMRF	141,427	0	0	0	0	141,427
Library Operations	0	0	53,916	0	0	53,916
Other Professional Services						
Audit Fee	0	7,975	0	0	0	7,975
Capital Outlay	0	0	0	0	0	0
Total Expenditures	141,427	7,975	53,916	114,106	0	317,424
Excess (Deficiency) of Revenues over Expenditures	25,700	(4,723)	(48,221)	(23,032)	10,063	(40,213)
Other Financing Sources						
Transfers In	0	0	0	0	0	0
Total Other Financing Sources	0	0	0	0	0	0
Net Change in Fund Balances	25,700	(4,723)	(48,221)	(23,032)	10,063	(40,213)
Fund Balances,						
Beginning of Year	68,878	19,208	72,160	43,891	204,881	409,018
End of Year	\$ 94,578	\$ 14,485	\$ 23,939	\$ 20,859	\$ 214,944	\$ 368,805

**Frankfort Public Library District
Illinois Municipal Retirement Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 163,435	\$ 163,435	\$ 167,127	\$ 3,692
Total Revenues	163,435	163,435	167,127	3,692
Expenditures				
Fringe Benefits				
IMRF Employer Contribution	149,756	149,756	141,427	8,329
Total Expenditures	149,756	149,756	141,427	8,329
Net Change in Fund Balance	<u>\$ 13,679</u>	<u>\$ 13,679</u>	25,700	<u>\$ 12,021</u>
Fund Balance,				
Beginning of Year			<u>68,878</u>	
End of Year			<u>\$ 94,578</u>	

Frankfort Public Library District
Audit Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 2,999	\$ 2,999	\$ 3,252	\$ 253
Total Revenues	<u>2,999</u>	<u>2,999</u>	<u>3,252</u>	<u>253</u>
Expenditures				
Other Professional Services				
Audit Fee	8,000	8,000	7,975	25
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>7,975</u>	<u>25</u>
Net Change in Fund Balance	<u>\$ (5,001)</u>	<u>\$ (5,001)</u>	<u>(4,723)</u>	<u>\$ 278</u>
Fund Balance,				
Beginning of Year			<u>19,208</u>	
End of Year			<u>\$ 14,485</u>	

**Frankfort Public Library District
Public Liability Insurance Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 4,498	\$ 4,498	\$ 5,572	\$ 1,074
Miscellaneous	0	0	123	123
Total Revenues	4,498	4,498	5,695	1,197
Expenditures				
Liability Operations				
Liability Insurance	25,000	25,000	26,129	(1,129)
Treasurer's Bond	0	0	455	(455)
Workers' Compensation	2,400	2,400	2,328	72
Risk Management	23,000	23,000	25,004	(2,004)
Total Expenditures	50,400	50,400	53,916	(3,516)
Net Change in Fund Balance	\$ (45,902)	\$ (45,902)	(48,221)	\$ (2,319)
Fund Balance,				
Beginning of Year			72,160	
End of Year			\$ 23,939	

**Frankfort Public Library District
Social Security Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 89,964	\$ 89,964	\$ 91,074	\$ 1,110
Total Revenues	<u>89,964</u>	<u>89,964</u>	<u>91,074</u>	<u>1,110</u>
Expenditures				
Fringe Benefits				
FICA Employer Contributions	126,000	126,000	114,106	11,894
Total Expenditures	<u>126,000</u>	<u>126,000</u>	<u>114,106</u>	<u>11,894</u>
Net Change in Fund Balance	<u>\$ (36,036)</u>	<u>\$ (36,036)</u>	<u>(23,032)</u>	<u>\$ 13,004</u>
Fund Balance,				
Beginning of Year			<u>43,891</u>	
End of Year			<u>\$ 20,859</u>	

Frankfort Public Library District
Working Cash Fund
No Legally Adopted Budget
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	<u>Actual</u>
Revenues	
Interest	\$ 10,063
Total Revenues	<u>10,063</u>
Total Expenditures	<u>0</u>
Net Change in Fund Balance	10,063
Fund Balance,	
Beginning of Year	<u>204,881</u>
End of Year	<u><u>\$ 214,944</u></u>