Frankfort Public Library District

Frankfort, Illinois

Annual Financial Report

FRANKFORT
PUBLIC LIBRARY DISTRICT
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For the Year Ended June 30, 2026

Frankfort Public Library District
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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, 2026, 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, 2026, 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 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, which 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 and 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.

IL NFP Audit & Tax, LLP

Chicago, Illinois
October 6, 2026

Frankfort Public Library District
Management Discussion & Analysis
June 30, 2026

Introduction

The Frankfort Public Library District (hereinafter referred to as the Library) Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activities, identify changes in the District's financial position, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of the District's financial activities for the year ended June 30, 2026. Comparative information between the current year and prior year is presented where appropriate to assist readers in evaluating the District's financial position and results of operations.

The MD&A should be read in conjunction with the District's basic financial statements, which begin on page 11.

Financial Summary

- At June 30, 2026, total assets and deferred outflows were $8,766,767, and total liabilities and deferred inflows were $5,524,050, compared to total assets and deferred outflows of $8,218,614 and total liabilities and deferred inflows of $5,661,237 at June 30, 2025. At June 30, 2026, net position was $3,242,717, while at June 30, 2025, net position was $2,557,377. The portion of net position invested in capital assets, net of related debt, was $1,728,402 and $1,520,480 at June 30, 2026 and 2025, respectively.

- Overall, total revenues for governmental activities in 2026 were $3,677,960, and total expenses were $2,992,620, compared to 2025 total revenues of $3,455,821 and total expenses of $2,957,069. Overall, net position increased by $685,340, from $2,557,377 at June 30, 2025 to $3,242,717 at June 30, 2026.

- Property tax revenues in fiscal year 2026 were $3,151,060 compared to $3,027,593 in fiscal year 2025.

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 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 11 - 12 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.

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 13 through 16 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 17 of this report.

Additional Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension plan and budgetary comparisons. Required supplementary information can be found on pages 39 through 44 of this report.

Major funds are reported in the basic financial statements, as discussed. Combining and individual statements and schedules for non-major funds, as well as supplemental schedules for the major funds, are presented in a subsequent section of this report beginning on page 45.

Detailed Analyses

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 $3,242,717 at June 30, 2026. Contributing to the Library's net position, $1,728,402 reflects its net investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less 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, $361,131, represents resources that are subject to external restrictions on how they may be used. The remaining $1,153,184 is unrestricted.

Statement of Net Position

A comparison of the statement of net position for the last two fiscal years is shown below. As noted earlier, the District's combined net position increased by $685,340 during fiscal year 2026.

Statement of Net Position
Governmental Activities

	2026	2025
Current and Other Assets	$ 5,653,928	$ 4,998,490
Capital Assets	2,912,438	2,852,491
Total Assets	8,566,366	7,850,981
Deferred Outflows	200,401	367,633
Total Assets and Deferred Outflows	8,766,767	8,218,614
Other Liabilities	321,622	99,089
Long-Term Liabilities	1,571,922	2,357,113
Total Liabilities	1,893,544	2,456,202
Deferred Inflows	3,630,506	3,205,035
Total Liabilities and Deferred Inflows	5,524,050	5,661,237
Net Position		
Net Investment in capital assets	1,728,402	1,520,480
Restricted Amounts	361,131	906,418
Unrestricted Amounts	1,153,184	130,479
Total Net Position	$ 3,242,717	$ 2,557,377

Statement of Activities

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

Statement of Activities
Governmental Activities

	2026	2025
Revenues		
Program Revenues		
Charges for Services	80,643	66,787
Operating Grants and Contributions	245,017	169,077
General Revenues		
Property Taxes	3,151,060	3,027,593
Replacement Taxes	56,836	58,106
Interest Income	136,250	130,085
Miscellaneous	8,154	4,173
Total Revenue	$ 3,677,960	$ 3,455,821
Expenses		
Governmental Activities		
Library Services	2,941,435	2,911,415
Interest on Long-Term Debt	51,185	45,654
Total Expense	2,992,620	2,957,069
Increase in Net Position	**$ 685,340**	**$ 498,752**
Net Position - Beginning of Year	2,557,377	2,058,625
Net Position - End of Year	$ 3,242,717	$ 2,557,377

Governmental Activities

As stated previously, governmental activities increased the District's net position by $685,340. Key elements of the entity-wide performance are as follows:

- During fiscal year 2026, the District's net position increased by $685,340, as total revenues of $3,677,960 exceeded total expenses of $2,992,620.

- Total revenues increased 6.43% to $3,677,960 in 2026 from $3,455,821 in 2025. The increase was primarily attributable to increases in property taxes and operating grants and contributions.

- Property tax revenues increased 4.08% to $3,151,060; operating grants and contributions increased 44.91% to $245,017.

- Total governmental activities expenses increased 1.20% to $2,992,620 in 2026 from $2,957,069 in 2025.

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 an ending fund balance of $2,186,954. Of this amount, $223,756 was nonspendable, $247,195 was restricted, $900,797 was assigned, and $815,206 was unassigned.

The total ending fund balance of governmental funds increased by $478,753 from $1,708,201 at June 30, 2025 to $2,186,954 at June 30, 2026. This increase is primarily the result of the financial activity 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 balance as of June 30, 2026 was $815,714, an increase of $108,509 from $707,205 at June 30, 2025. During fiscal year 2026, the General Fund transferred $300,000 to the Special Reserve Fund.

The Library Building and Sites Fund increased its fund balance to $101,920 from $16,574, an increase of $85,346 from the prior year.

The Special Reserve Fund increased its fund balance to $900,797 from $615,617, primarily due to a $300,000 transfer from the General Fund, partially offset by $14,820 of capital outlay.

Significant Capital Asset and Long-Term Financing Activity

Net capital assets for governmental activities totaled $2,912,438 at June 30, 2026, compared with $2,852,491 at June 30, 2025.

	Balance June 30, 2025	Additions	Retirements	Balance June 30, 2026
Governmental Activities				
Cost				
Tangible Assets Not Subject to Depreciation				
Land	$ 572,331	$ 0	$ 0	$ 572,331
Tangible Assets Subject to Depreciation				
Building and Improvements	5,718,772	86,132	0	5,804,904
Furniture and Equipment	725,688	53,663	0	779,351
Vehicles	0	47,730	0	47,730
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	41,195	0	0	41,195
Subtotal	7,057,986	187,525	0	7,245,511
Less - Accumulated Depreciation & Amortization				
Tangible Assets Subject to Depreciation				
Building and Improvements	(3,478,117)	(101,611)	0	(3,579,728)
Furniture and Equipment	(720,512)	(13,509)	0	(734,021)
Vehicles	0	(4,773)	0	(4,773)
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	(6,866)	(7,685)	0	(14,551)
Subtotal	(4,205,495)	(127,578)	0	(4,333,073)
Net Capital Assets	$ 2,852,491	$ 59,947	$ 0	$ 2,912,438

Debt

At June 30, 2026, outstanding debt principal totaled $1,184,036, consisting of a $1,157,392 debt certificate and a $26,644 lease liability.

Currently Known Facts, Decisions, or Conditions

At the time these financial statements were prepared and audited, the District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on its financial position or results of operations.

Frankfort Public Library District
Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 3,943,387
Receivables - Property Taxes	1,674,434
Other Receivables	1,191
Prepaid Items	34,916
Capital Assets	
Capital Assets Not Being Depreciated	572,331
Other Capital Assets, Net of Depreciation	2,313,463
Lease Right-of-Use, Net of Amortization	26,644
Total Capital Assets	2,912,438
Total Assets	8,566,366
Deferred Outflows	
Deferred Items - IMRF	200,401
Total Deferred Outflows	200,401
Liabilities	
Due Within One Year	
Accounts Payable	116,174
Accrued Payroll	45,500
Long-term Liabilities - Due Within One Year	
Compensated Absences	11,523
Lease Liability	8,135
Debt Certificate	140,290
Long-term Liabilities - Due in More than One Year	
Compensated Absences	46,091
Lease Liability	18,509
Debt Certificate	1,017,102
Net Pension Liability - IMRF	490,220
Total Liabilities	1,893,544
Deferred Inflows	
Deferred Property Taxes	3,305,300
Deferred Items - IMRF	325,206
Total Deferred Inflows	3,630,506
Net Position	
Net Investment in Capital Assets	1,728,402
Restricted for:	
Library Building and Sites Fund	101,920
Audit	11,402
Public Liability Insurance	24,053
Working Cash	223,756
Unrestricted	1,153,184
Total Net Position	$ 3,242,717

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Statement of Activities
For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Library Services	$ 2,941,435	$ 80,643	$ 245,017	$ (2,615,775)
Interest on Long-Term Debt	51,185	0	0	(51,185)
Total Governmental Activities	$ 2,992,620	$ 80,643	$ 245,017	(2,666,960)
General Revenues				
Taxes				
Property Taxes				3,151,060
Replacement Taxes				56,836
Interest Income				136,250
Miscellaneous				8,154
Total General Revenues				3,352,300
Change in Net Position				685,340
Net Position,				
Beginning of Year				2,557,377
End of Year				$ 3,242,717

See Accompanying Notes to the Financial Statements

Frankfort Public Library District
Balance Sheet
Governmental Funds
June 30, 2026

	General	Library Building and Sites	Special Reserve	Other Governmental Funds	Total
Assets					
Cash and Cash Equivalents	$ 2,260,669	$ 249,943	$ 900,797	$ 531,978	$ 3,943,387
Receivables					
Property Taxes	1,338,564	151,977	0	183,893	1,674,434
Other	1,191	0	0	0	1,191
Prepaid Expenses	0	0	0	34,916	34,916
Total Assets	3,600,424	401,920	900,797	750,787	5,653,928
Deferred Outflows	0	0	0	0	0
Total Assets and Deferred Outflows	3,600,424	401,920	900,797	750,787	5,653,928
Liabilities					
Accounts Payable	96,910	0	0	19,264	116,174
Accrued Payroll	45,500	0	0	0	45,500
Total Liabilities	142,410	0	0	19,264	161,674
Deferred Inflows					
Deferred Property Taxes	2,642,300	300,000	0	363,000	3,305,300
Total Deferred Inflows	2,642,300	300,000	0	363,000	3,305,300
Fund Balances (Deficit)					
Nonspendable	0	0	0	223,756	223,756
Restricted	0	101,920	0	145,275	247,195
Assigned	0	0	900,797	0	900,797
Unassigned	815,714	0	0	(508)	815,206
Total Fund Balances (Deficit)	815,714	101,920	900,797	368,523	2,186,954
Total Liabilities, Deferred Inflows, and Fund Balances	$ 3,600,424	$ 401,920	$ 900,797	$ 750,787	$ 5,653,928

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, 2026

Reconciliation of Fund Balances of the Governmental Funds to the Governmental Activities in the Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund Balance – Balance Sheet of Governmental Funds	2,186,954
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	2,912,438
Deferred outflows of resources related to pensions are reported in the Statement of Net Position but are not reported in the governmental funds:	
Pension-related Deferred Outflows – IMRF	200,401
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated Absences	(57,614)
Lease Liability	(26,644)
Debt Certificate	(1,157,392)
Net Pension Liability – IMRF	(490,220)
Deferred inflows of resources related to pensions are reported in the Statement of Net Position but are not reported in the governmental funds:	
Pension-related Deferred Inflows – IMRF	(325,206)
Net Position of Governmental Activities	$ 3,242,717

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, 2026

	General	Library Building and Sites	Special Reserve	Other Governmental Funds	Total
Revenues					
Property Taxes	$ 2,513,914	$ 302,502	$ 0	$ 334,644	$ 3,151,060
Replacement Taxes	56,836	0	0	0	56,836
Grants and Donations	245,017	0	0	0	245,017
Rental, Fines, and Fees	80,643	0	0	0	80,643
Interest	127,438	0	0	8,812	136,250
Miscellaneous	8,154	0	0	0	8,154
Total Revenues	3,032,002	302,502	0	343,456	3,677,960
Expenditures					
Personnel	1,762,271	0	0	276,802	2,039,073
Library Materials	213,158	0	0	0	213,158
Library Operations	169,145	217,156	0	58,811	445,112
Other Professional Services	60,323	0	0	8,125	68,448
Debt					
Principal	140,290	0	0	0	140,290
Interest	51,185	0	0	0	51,185
Capital Outlay	227,121	0	14,820	0	241,941
Total Expenditures	2,623,493	217,156	14,820	343,738	3,199,207
Excess (Deficiency) of Revenues over Expenditures	408,509	85,346	(14,820)	(282)	478,753
Other Financing Sources (Uses)					
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	108,509	85,346	285,180	(282)	478,753
Fund Balances,					
Beginning of Year	707,205	16,574	615,617	368,805	1,708,201
End of Year	$ 815,714	$ 101,920	$ 900,797	$ 368,523	$ 2,186,954

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, 2026

Net Change in Fund Balances - Total Governmental Funds	$	478,753
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		187,525
Depreciation expense		(119,893)
Amortization expense of right-of-use assets		(7,685)
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.		
Principal Payments on Lease Liability		7,685
Principal Payments on Debt		140,290
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		(708)
Governmental funds report pension contributions as expenditures when paid. In the Statement of Activities, pension expense is recognized in accordance with GASB Statement No. 68. The following changes in the net pension liability and related deferred outflows and inflows of resources represent reconciling differences:		
Decrease in Net Pension Liability – IMRF		477,976
Decrease in Pension-related Deferred Outflows – IMRF		(167,232)
Increase in Pension-related Deferred Inflows – IMRF		(311,371)
Change in Net Position of Governmental Activities	$	685,340

See Accompanying Notes to the Financial Statements

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.

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 period for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental 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. Available means collectible within the current period or within sixty days after year-end. 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.

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 funds:

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 *Library Building and Sites 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: The *Illinois Municipal Retirement Fund*, *Audit Fund*, *Public Liability Insurance Fund*, and *Social Security Fund* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Permanent Funds: The *Working Cash Fund* is reported as a permanent fund. Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

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.

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.

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, 2026, 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."

1. Summary of Significant Accounting Policies (Continued)

Receivables

Receivables consist of amounts due to the District at year-end that have not yet been received. 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, 2026, 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, 2026.

Deferred Inflows of Resources and Unearned Revenue

In the governmental fund financial statements, revenues that are measurable but not available under the modified accrual basis of accounting are reported as deferred inflows of resources. Such amounts are recognized as revenue when the applicable revenue recognition criteria are met. Deferred inflows of resources also include amounts related to nonexchange transactions that apply to a future reporting period.

Amounts received before the District has satisfied applicable eligibility or earning requirements are reported as unearned revenue liabilities. Unearned revenue is recognized as revenue when the applicable eligibility or earning requirements have been satisfied.

Compensated Absences

In the governmental fund financial statements, expenditures for compensated absences are recognized when payment is due. In the government-wide financial statements, the District recognizes a liability for compensated absences attributable to services already rendered that accumulate and are more likely than not to be used for time off or otherwise paid or settled.

District employees are entitled to paid vacation time and sick leave in varying amounts based on years of service. Upon termination, employees are paid for unused vacation leave but are not paid for unused sick leave. Vacation leave payable upon separation is accrued as earned. Accumulated sick leave is evaluated based on the District's leave policies, historical usage, and other relevant factors.

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 threshold of $25,000 for buildings and building improvements and $5,000 for furniture, equipment, computers, electronics, and vehicles. 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.

Depreciable capital assets are depreciated using the straight-line method over their estimated useful lives. Lease right-to-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Land is not depreciated.

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

Leases

The District recognizes a lease liability and an intangible right-to-use lease asset for leases with a term greater than twelve months, unless the lease is considered immaterial to the financial statements. At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. The lease asset is initially measured as the amount of the lease liability, adjusted for lease payments made at or before the commencement of the lease term and certain other payments, less any lease incentives received. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset. Short-term leases, which have a maximum possible term of twelve months or less at commencement, are recognized as expenditures or expenses based on the terms of the lease contract. The District had one material lease subject to recognition under GASB Statement No. 87 as of June 30, 2026.

Subscription-Based Information Technology Arrangements

A subscription-based information technology arrangement (“SBITA”) 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.

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 reports pension-related deferred outflows of resources for differences between expected and actual experience, changes in assumptions, and contributions made subsequent to the measurement date, as applicable. 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. In addition to pension-related deferred inflows of resources, the District reports deferred inflows of resources for property taxes that have been levied but are applicable to a future reporting period. These amounts are recognized as revenue in the period for which the property taxes are intended to finance.

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.

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."

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.
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 annually 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).

For financial reporting purposes, property tax revenue recognized for the year ended June 30, 2026 is attributable to the 2024 tax levy. At June 30, 2026, the District recorded the 2025 property tax levy of $3,305,300 as a deferred inflow of resources because the levy is applicable to a future reporting period. Amounts related to the 2025 levy will be recognized as revenue in the applicable future reporting period.

2. Deposits

Deposits

At June 30, 2026, the carrying amount of the District's demand deposits in financial institutions was $3,943,387, and the bank balance was $3,982,145.

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, 2026.

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.

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.

4. Capital Assets

Capital asset activity for the year ended June 30, 2026, consisted of the following:

	Balance June 30, 2025	Additions	Retirements	Balance June 30, 2026
Governmental Activities				
Cost				
Tangible Assets Not Subject to Depreciation				
Land	$ 572,331	$ 0	$ 0	$ 572,331
Tangible Assets Subject to Depreciation				
Building and Improvements	5,718,772	86,132	0	5,804,904
Furniture and Equipment	725,688	53,663	0	779,351
Vehicles	0	47,730	0	47,730
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	41,195	0	0	41,195
Subtotal	7,057,986	187,525	0	7,245,511
Less - Accumulated Depreciation & Amortization				
Tangible Assets Subject to Depreciation				
Building and Improvements	(3,478,117)	(101,611)	0	(3,579,728)
Furniture and Equipment	(720,512)	(13,509)	0	(734,021)
Vehicles	0	(4,773)	0	(4,773)
Intangible Assets Subject to Amortization				
Copier Lease Right-of-Use	(6,866)	(7,685)	0	(14,551)
Subtotal	(4,205,495)	(127,578)	0	(4,333,073)
Net Capital Assets	$ 2,852,491	$ 59,947	$ 0	$ 2,912,438

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

Governmental Activities – Library Services	$ 127,578

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, 2026:

	Balance June 30, 2025	Additions	Retirements	Balance June 30, 2026	Amount Due Within One Year	Debt Retired By Fund
Note Payables						
Debt Certificate	1,297,682	0	(140,290)	1,157,392	140,290	General
Subtotal Note Payables	1,297,682	0	(140,290)	1,157,392	140,290	
Lease Liability						
No Ownership Transfer Copier Lease	34,329	0	(7,685)	26,644	8,135	General
Subtotal Lease Liability	34,329	0	(7,685)	26,644	8,135	
Total Debt Payable	$ 1,332,011	$ 0	$ (147,975)	$ 1,184,036	$ 148,425	

Notes Payable

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.

Lease Liability

Copier Lease, $41,195 - Dated August 1, 2024; 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.

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, 2027	$ 140,290	$ 45,363	$ 185,653
June 30, 2028	140,290	39,541	179,831
June 30, 2029	140,290	33,719	174,009
June 30, 2030	140,290	27,897	168,187
June 30, 2031	140,290	22,075	162,365
June 30, 2032 - 2034	455,942	31,476	487,418
	$ 1,157,392	$ 200,071	$ 1,357,463

Lease Liability			
Fiscal Year(s)	Principal	Interest	Total
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
	$ 26,644	$ 2,471	$ 29,115

Other long-term liabilities activity is as follows:

	Balance June 30, 2025	Additions and Other Changes	Decreases	Balance June 30, 2026	Amount Due Within One Year
Other Long-term Liabilities					
Pension Liability/(Asset)	$ 968,196	$ (104,984)	$ (372,992)	$ 490,220	$ 0
Compensated Absences (*)	56,906	708	0	57,614	11,523
Total	$ 1,025,102	$ (104,276)	$ (372,992)	$ 547,834	$ 11,523

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

6. Compliance and Accountability

At June 30, 2026, the Social Security Fund had a deficit fund balance of $508.

At June 30, 2026, none of the District's funds had an excess of actual expenditures over the legally enacted budgeted amounts.

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, 2026, no interfund receivables and payables exist.

During the year ended June 30, 2026, interfund transfers were as follows:

Fund	Transfer from Other Funds	Transfer to Other Funds
General	$ 0	$ 300,000
Special Reserve	300,000	0
	$ 300,000	$ 300,000

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, 2026, the District had no material commitments and no contingencies.

10. Evaluation of Subsequent Events

The District has evaluated subsequent events through October 6, 2026, the date on which the financial statements were available to be issued.

11. Implementation of New GASB (Governmental Accounting Standards Board) Pronouncements

Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024, was implemented by the District during the year ended June 30, 2026. This Statement includes improvements to the financial reporting model, including revised requirements for Management's Discussion and Analysis and budgetary comparison information. The Statement requires budgetary comparison information to present variances between the original and final budget amounts and between the final budget and actual amounts and requires explanations of significant budget variances to be presented in the notes to required supplementary information.

Statement No. 104, *Disclosure of Certain Capital Assets*, issued in September 2024, was implemented by the District during the year ended June 30, 2026. This Statement requires certain types of capital assets, including lease assets, subscription assets, intangible right-to-use assets, and capital assets held for sale, to be disclosed separately in the notes to the financial statements. Implementation of this Statement did not have a material effect on the District's financial statements.

Statement No. 105, *Subsequent Events*, issued in December 2025, will be implemented by the District during the year ended June 30, 2027. This statement defines the timeframe for subsequent events and establishes reporting requirements for recognized and non-recognized events.

The District has not yet determined the effect Statement No. 105 will have on its financial statements.

12. Deferred Compensation

The District offers eligible employees a voluntary deferred compensation plan established in accordance with Internal Revenue Code Section 457(b). The plan is administered through Nationwide Retirement and permits participating employees to defer a portion of their compensation through payroll deductions, including traditional pre-tax and designated Roth contributions, as permitted under the plan.

In accordance with Internal Revenue Code Section 457(g), amounts deferred under the plan, together with all property and rights purchased with those amounts and all income attributable to those amounts, property, or rights, are held in trust, custodial accounts, or qualifying contracts for the exclusive benefit of plan participants and their beneficiaries. The District remits participant deferrals to the plan administrator. Distributions to participants are made in accordance with the provisions of the plan and applicable requirements of Internal Revenue Code Section 457.

13. 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 whom 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, 2026.

14. 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 after the member has reached age 67 or received 12 months of pension payments, whichever is later, by the lesser of 3% of the original pension amount or one-half of the increase in the Consumer Price Index (Urban) for the preceding year, applied to 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 District's employer contributions for fiscal year 2026 were $156,176, or 11.15 percent of 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.

14. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Required Employer Contributions. The required contribution for the fiscal year 2026 was $156,176.

Actuarial Valuation Date	December 31, 2025
Measurement Date of the Net Pension Liability	December 31, 2025
Fiscal Year End	June 30, 2026
Membership	
Number of	
- Retirees and Beneficiaries	41
- Inactive, Non-Retired Members	22
- Active Members	27
- Total	90
Covered Valuation Payroll	$ 1,390,328
Net Pension Liability	
Total Pension Liability/(Asset)	$ 7,077,977
Plan Fiduciary Net Position	6,587,757
Net Pension Liability/(Asset)	$ 490,220
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.07%
Net Pension Liability as a Percentage of Covered Valuation Payroll	35.26%
Development of the Single Discount Rate as of December 31, 2025	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	4.83%
Last year December 31 in the 2026 to 2125 projection period for which projected benefit payments are fully funded	2125
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate Calculated using December 31, 2024 Measurement Date	7.25%
Total Pension Expense/(Income)	$ 156,845

14. 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	$ 117,766	$ 0
2. Assumption Changes	1,230	0
3. Net Difference between projected and actual earnings on pension plan investments	0	325,206
4. Subtotal	118,996	325,206
5. Pension contributions made subsequent to the measurement date	81,405	0
6. Total	$ 200,401	$ 325,206

The $81,405 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027.

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
2026	$ 156,622
2027	(137,293)
2028	(128,108)
2029	(97,431)
2030	0
Thereafter	0
	$ (206,210)

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, 2025.

14. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	32.50%	7.35%
International Equities	18.00%	7.45%
Fixed Income	24.00%	4.75%
Real Estate	10.50%	6.25%
Alternatives	14.00%	See Below
Private Equity		8.50%
Hedge Funds		N/A
Commodities		3.90%
Cash Equivalents	1.00%	3.00%
	100.00%	

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 as published by The Bond Buyer in its 20-Bond GO Index as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.83%; the resulting single discount rate is 7.25%.

14. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

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	$ 7,952,921	$ 7,077,977	$ 6,380,219
Plan Fiduciary Net Position	6,587,757	6,587,757	6,587,757
Net Pension Liability/(Asset)	$ 1,365,164	$ 490,220	$ (207,538)

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 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
Other Information:	There were no benefit changes during the year.

14. 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, 2025

A. Total pension liability		
1.Service cost	$	123,991
2.Interest on the total pension liability		482,779
3.Changes of benefit terms		0
4.Difference between expected and actual experience of the total pension liability		60,673
5.Changes of assumptions		0
6.Benefit payments, including refunds of employee contributions		(372,992)
7.Net change in total pension liability		294,451
8.Total pension liability– beginning		6,783,526
9.Total pension liability – ending	$	7,077,977
B. Plan fiduciary net position		
1.Contributions – employer	$	146,974
2.Contributions – employee		61,986
3.Net investment income		904,001
4.Benefit payments, including refunds of employee contributions		(372,992)
5.Other (net transfer)		32,458
6.Net change in plan fiduciary net position		772,427
7.Plan fiduciary net position – beginning		5,815,330
8.Plan fiduciary net position – ending	$	6,587,757
C. Net pension liability/(asset)	$	490,220
D. Plan fiduciary net position as a percentage of the total pension liability		93.07%
E. Covered Valuation Payroll	$	1,390,328
F. Net pension liability as a percentage of covered valuation payroll		35.26%

Frankfort Public Library District
IMRF Pension Disclosures
For the Year Ended June 30, 2026

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Contributions
Last 10 Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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%
2026	156,176	156,176	0	1,400,724	11.15%

Notes to the Multiyear Schedule of Contributions:

Actuarially determined contribution rates are calculated as of December 31 each year, 12 months prior to the beginning of the calendar year in which contributions are reported. The actuarial cost method used to determine the contribution rate was the Aggregate Entry Age Normal method. The amortization method was Level Percentage of Payroll, Closed, with an 18-year closed amortization period for taxing bodies. The asset valuation method was five-year smoothed market value with a 20% corridor. Significant actuarial assumptions included wage growth of 2.75%, price inflation of 2.25%, salary increases ranging from 2.85% to 13.75%, including inflation, and an investment rate of return of 7.25%.

Frankfort Public Library District
IMRF Pension Disclosures (Continued)
For the Year Ended June 30, 2026

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Plan Years

Plan Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability ("TPL")										
Service cost	$ 123,991	$ 130,616	$ 128,534	$ 123,208	$ 124,561	$ 126,118	$ 121,683	$ 120,945	$ 128,543	$ 138,395
Interest on the TPL	482,779	456,517	430,515	421,022	396,882	379,229	353,257	316,763	320,046	298,858
Changes of benefit terms	0	0	0	0	0	0	0	0	0	0
Difference between expected and actual experience of the TPL	60,673	143,035	141,082	(75,005)	145,261	126,049	174,819	357,253	(109,781)	24,689
Changes of assumptions	0	0	7,263	0	0	(74,279)	0	145,758	(134,303)	(16,716)
Benefit payments, including refunds of employee contributions	(372,992)	(356,252)	(343,300)	(338,615)	(327,502)	(298,209)	(289,276)	(294,893)	(194,059)	(153,541)
Net change in total pension liability	294,451	373,916	364,094	130,610	339,202	258,908	360,483	645,826	10,446	291,685
Total pension liability– beginning	6,783,526	6,409,610	6,045,516	5,914,906	5,575,704	5,316,796	4,956,313	4,310,487	4,300,041	4,008,356
Total pension liability – ending	$ 7,077,977	$ 6,783,526	$ 6,409,610	$ 6,045,516	$ 5,914,906	$ 5,575,704	$ 5,316,796	$ 4,956,313	$ 4,310,487	$ 4,300,041
Plan fiduciary net position										
Contributions – employer	$ 146,974	$ 145,328	$ 152,405	$ 271,789	$ 233,749	$ 183,664	$ 130,624	$ 138,156	$ 133,368	$ 135,717
Contributions – employee	61,986	62,762	61,212	57,233	57,454	55,843	52,389	73,191	58,474	56,227
Net investment income	904,001	542,762	546,336	(748,533)	842,860	631,690	709,739	(219,670)	592,299	219,571
Benefit payments, including refunds of employee contributions	(372,992)	(356,252)	(343,300)	(338,615)	(327,502)	(298,209)	(289,276)	(294,893)	(194,059)	(153,541)
Other (net transfer)	32,458	(48,263)	136,921	(73,136)	23,217	36,155	45,823	180,113	(258,656)	28,203
Net change in plan fiduciary net position	772,427	346,337	553,574	(831,262)	829,778	609,143	649,299	(123,103)	331,426	286,177
Plan fiduciary net position - Beginning	5,815,330	5,468,993	4,915,419	5,746,681	4,916,903	4,307,760	3,658,461	3,781,564	3,450,138	3,163,961
Plan fiduciary net position - Ending	$ 6,587,757	$ 5,815,330	$ 5,468,993	$ 4,915,419	$ 5,746,681	$ 4,916,903	$ 4,307,760	$ 3,658,461	$ 3,781,564	$ 3,450,138
Net pension liability / (asset)	$ 490,220	$ 968,196	$ 940,617	$ 1,130,097	$ 168,225	$ 658,801	$ 1,009,036	$ 1,297,852	$ 528,923	$ 849,903
Plan fiduciary net position as a percent of the TPL	93.07%	85.73%	85.32%	81.31%	97.16%	88.18%	81.02%	73.81%	87.73%	80.24%
Covered Valuation Payroll ("CVP")	$ 1,390,328	$ 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
Net pension liability as a % of CVP	35.26%	69.42%	69.15%	88.86%	13.72%	53.09%	86.67%	111.79%	46.16%	72.39%

Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 2,514,973	$ 2,514,973	$ 2,513,914	$ (1,059)
Replacement Taxes	40,000	40,000	56,836	16,836
Grants and Donations	233,335	233,335	245,017	11,682
Rental, Fines, and Fees	42,500	42,500	80,643	38,143
Interest	88,000	88,000	127,438	39,438
Miscellaneous	1,500	1,500	8,154	6,654
Total Revenues	2,920,308	2,920,308	3,032,002	111,694
Expenditures				
Current				
Personnel	1,834,700	1,834,700	1,762,271	72,429
Library Materials	212,000	212,000	213,158	(1,158)
Library Operations	185,890	185,890	169,145	16,745
Other Professional Services	83,500	83,500	60,323	23,177
Debt Service				
Principal	140,290	140,290	140,290	0
Interest	51,185	51,185	51,185	0
Capital Outlay	353,200	353,200	227,121	126,079
Total Expenditures	2,860,765	2,860,765	2,623,493	237,272
Excess (Deficiency) of Revenues over Expenditures	59,543	59,543	408,509	348,966
Other Financing Sources (Uses)				
Transfers Out	0	0	(300,000)	(300,000)
Total Other Financing Sources (Uses)	0	0	(300,000)	(300,000)
Net Change in Fund Balance	$ 59,543	$ 59,543	108,509	$ 48,966
Fund Balance,				
Beginning of Year			707,205	
End of Year			$ 815,714	

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, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 302,502	$ 302,502	$ 302,502	$ 0
Total Revenues	302,502	302,502	302,502	0
Expenditures				
Contractual				
Building Utilities	90,100	90,100	70,835	19,265
Building Maintenance	130,000	130,000	84,337	45,663
Building Supplies	10,000	10,000	61,984	(51,984)
Building Projects	105,000	105,000	0	105,000
Total Expenditures	335,100	335,100	217,156	117,944
Net Change in Fund Balance	$ (32,598)	$ (32,598)	85,346	$ 117,944
Fund Balance,				
Beginning of Year			16,574	
End of Year			$ 101,920	

Frankfort Public Library District
Special Reserve Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Total Revenues	$ 0	$ 0	$ 0	$ 0
Expenditures				
Capital Outlay	90,000	90,000	14,820	75,180
Total Expenditures	90,000	90,000	14,820	75,180
Excess (Deficiency) of Revenues over Expenditures	(90,000)	(90,000)	(14,820)	75,180
Other Financing Sources				
Transfers In	0	0	300,000	300,000
Total Other Financing Sources	0	0	300,000	300,000
Net Change in Fund Balance	$ (90,000)	$ (90,000)	285,180	$ 375,180
Fund Balance,				
Beginning of Year			615,617	
End of Year			$ 900,797	

Frankfort Public Library District
Notes to Required Supplementary Information
For the Year Ended June 30, 2026

Budgetary Information

The operating budget is prepared on a basis consistent with generally accepted accounting principles. The annual Budget and Appropriation Ordinance is legally enacted and establishes the legal level of control at the fund level.

Significant Budget Variances

There were no significant differences between the original and final budget amounts for the year ended June 30, 2026.

General Fund

Actual General Fund revenues exceeded the final budget primarily due to rental, fines and fees, interest income, and replacement tax revenues exceeding budgeted amounts. Actual General Fund expenditures were below the final budget overall, primarily due to lower personnel, library operations, other professional services, and capital outlay expenditures. The favorable capital outlay variance was primarily attributable to budgeted capital project expenditures that were not incurred during the year.

The General Fund also transferred $300,000 to the Special Reserve Fund during the year. The transfer was not included in the original or final budget.

Library Building and Sites Fund

Actual Library Building and Sites Fund expenditures were below the final budget primarily due to budgeted building project expenditures that were not incurred and lower building utilities and building maintenance expenditures. These favorable variances were partially offset by building supplies exceeding budgeted amounts.

Special Reserve Fund

Actual Special Reserve Fund expenditures were below the final budget primarily because budgeted building repair and construction expenditures were not incurred to the extent anticipated during the year. The fund also received a $300,000 transfer from the General Fund that was not included in the original or final budget.

Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Expenditures
For the Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
Personnel				
Salaries	$ 1,694,700	$ 1,694,700	$ 1,630,515	$ 64,185
Health Insurance	140,000	140,000	131,756	8,244
Total Personnel	1,834,700	1,834,700	1,762,271	72,429
Library Materials				
Books - Adult	68,000	68,000	66,788	1,212
Books - Youth	45,000	45,000	42,404	2,596
Periodicals	8,500	8,500	6,820	1,680
Spoken Word - Adult	4,000	4,000	7,684	(3,684)
Videos - Adult	10,000	10,000	8,958	1,042
Videos - Youth	7,500	7,500	7,472	28
Digital Materials - Adult	40,000	40,000	48,641	(8,641)
Digital Materials - Youth	5,000	5,000	6,191	(1,191)
Circulating Materials	3,000	3,000	0	3,000
Electronic Info - Databases	21,000	21,000	18,200	2,800
Total Library Materials	212,000	212,000	213,158	(1,158)
Library Operations				
Programming	28,890	28,890	22,027	6,863
Outreach	0	0	1,376	(1,376)
Circulation System	45,000	45,000	41,845	3,155
Technology	45,000	45,000	44,897	103
Office and Library Equipment	12,000	12,000	9,443	2,557
Office and Library Supplies	8,000	8,000	12,490	(4,490)
Learning Lab Supplies	2,500	2,500	2,486	14
Technical Processing	10,500	10,500	6,417	4,083
Marketing and Promotion	20,000	20,000	18,453	1,547
Telephone	14,000	14,000	9,711	4,289
Total Library Operations	185,890	185,890	169,145	16,745
Subtotal Forward	$ 2,232,590	$ 2,232,590	$ 2,144,574	$ 88,016

Frankfort Public Library District
General Fund
Budgetary Comparison Schedule
Schedule of Expenditures (Continued)
For the Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures (Continued)				
Subtotal Forwarded	$ 2,232,590	$ 2,232,590	$ 2,144,574	$ 88,016
Other Professional Services				
Legal Fees and Ads	7,000	7,000	7,194	(194)
Professional Development	16,500	16,500	12,016	4,484
Professional Services	60,000	60,000	41,113	18,887
Total Other Professional Services	83,500	83,500	60,323	23,177
Debt				
Principal	140,290	140,290	140,290	0
Interest	51,185	51,185	51,185	0
Total Debt Principal	191,475	191,475	191,475	0
Capital Outlay				
Furniture and Fixtures	30,000	30,000	36,500	(6,500)
Grant Expenses	183,200	183,200	190,621	(7,421)
Capital Project Expenses	140,000	140,000	0	140,000
Total Capital Outlay	353,200	353,200	227,121	126,079
Total Expenditures	$ 2,860,765	$ 2,860,765	$ 2,623,493	$ 237,272

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, 2026

	Special Revenue Funds				Permanent Fund	
	Illinois Municipal Retirement	Audit	Public Liability Insurance	Social Security	Working Cash	Total
Assets						
Cash and Cash Equivalents	$ 208,030	$ 11,895	$ 19,728	$ 68,569	$ 223,756	$ 531,978
Receivables						
Property Taxes	81,054	507	31,409	70,923	0	183,893
Prepaid Expenses	0	0	34,916	0	0	34,916
Total Assets	289,084	12,402	86,053	139,492	223,756	750,787
Deferred Outflows	0	0	0	0	0	0
Total Assets and Deferred Outflows	289,084	12,402	86,053	139,492	223,756	750,787
Liabilities						
Accounts Payable	19,264	0	0	0	0	19,264
Total Liabilities	19,264	0	0	0	0	19,264
Deferred Inflows						
Deferred Property Taxes	160,000	1,000	62,000	140,000	0	363,000
Total Deferred Inflows	160,000	1,000	62,000	140,000	0	363,000
Fund Balances						
Nonspendable	0	0	0	0	223,756	223,756
Restricted	109,820	11,402	24,053		0	145,275
Unassigned	0	0	0	(508)	0	(508)
Total Fund Balances	109,820	11,402	24,053	(508)	223,756	368,523
Total Liabilities, Deferred Inflows, and Fund Balances	$ 289,084	$ 12,402	$ 86,053	$ 139,492	$ 223,756	$ 750,787

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, 2026

	Special Revenue Funds				Permanent Fund	
	Illinois Municipal Retirement	Audit	Public Liability Insurance	Social Security	Working Cash	Total
Revenues						
Property Taxes	$ 171,418	$ 5,042	$ 58,925	$ 99,259	$ 0	$ 334,644
Interest	0	0	0	0	8,812	8,812
Total Revenues	171,418	5,042	58,925	99,259	8,812	343,456
Expenditures						
Fringe Benefits						
Social Security	0	0	0	120,626	0	120,626
IMRF	156,176	0	0	0	0	156,176
Library Operations	0	0	58,811	0	0	58,811
Other Professional Services						
Audit Fee	0	8,125	0	0	0	8,125
Total Expenditures	156,176	8,125	58,811	120,626	0	343,738
Net Change in Fund Balances	15,242	(3,083)	114	(21,367)	8,812	(282)
Fund Balances,						
Beginning of Year	94,578	14,485	23,939	20,859	214,944	368,805
End of Year	$ 109,820	$ 11,402	$ 24,053	$ (508)	$ 223,756	$ 368,523

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, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 171,490	$ 171,490	$ 171,418	$ (72)
Total Revenues	171,490	171,490	171,418	(72)
Expenditures				
Fringe Benefits				
IMRF Employer Contribution	161,000	161,000	156,176	4,824
Total Expenditures	161,000	161,000	156,176	4,824
Net Change in Fund Balance	$ 10,490	$ 10,490	15,242	$ 4,752
Fund Balance,				
Beginning of Year			94,578	
End of Year			$ 109,820	

Frankfort Public Library District
Audit Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 5,044	$ 5,044	$ 5,042	$ (2)
Total Revenues	5,044	5,044	5,042	(2)
Expenditures				
Other Professional Services				
Audit Fee	8,500	8,500	8,125	375
Total Expenditures	8,500	8,500	8,125	375
Net Change in Fund Balance	$ (3,456)	$ (3,456)	(3,083)	$ 373
Fund Balance,				
Beginning of Year			14,485	
End of Year			$ 11,402	

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, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 58,950	$ 58,950	$ 58,925	$ (25)
Total Revenues	58,950	58,950	58,925	(25)
Expenditures				
Liability Operations				
Liability Insurance	31,500	31,500	30,113	1,387
Workers' Compensation	2,500	2,500	2,329	171
Risk Management	27,000	27,000	26,369	631
Total Expenditures	61,000	61,000	58,811	2,189
Net Change in Fund Balance	$ (2,050)	$ (2,050)	114	$ 2,164
Fund Balance,				
Beginning of Year			23,939	
End of Year			$ 24,053	

Frankfort Public Library District
Social Security Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 99,300	$ 99,300	$ 99,259	$ (41)
Total Revenues	99,300	99,300	99,259	(41)
Expenditures				
Fringe Benefits				
FICA Employer Contributions	130,000	130,000	120,626	9,374
Total Expenditures	130,000	130,000	120,626	9,374
Net Change in Fund Balance	$ (30,700)	$ (30,700)	(21,367)	$ 9,333
Fund Balance (Deficit),				
Beginning of Year			20,859	
End of Year			$ (508)	

Frankfort Public Library District
Working Cash Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Interest	$ 0	$ 0	$ 8,812	$ 8,812
Total Revenues	0	0	8,812	8,812
Total Expenditures	0	0	0	0
Net Change in Fund Balance	$ 0	$ 0	8,812	$ 8,812
Fund Balance,				
Beginning of Year			214,944	
End of Year			$ 223,756	