FRANKFORT PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2026

Prepared By:

HEARNE & ASSOCIATES, P.C.
Certified Public Accountants &
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Frankfort Park District, Illinois
Annual Financial Report
Year Ended May 31, 2026

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HEARNE & ASSOCIATES, P.C.
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Board of Commissioners
Frankfort Park District, Illinois
Frankfort, IL

Independent Auditors' Report

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frankfort Park District, Illinois (the "Park District") as of and for the year ended May 31, 2026, and the related notes to the financial statements, which collectively comprises the Park 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 Frankfort Park District as of May 31, 2026, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Park 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 of our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park 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.

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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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park District's basic financial statements. The combining and individual nonmajor fund financial statements and Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplemental schedules section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2026, on our consideration of the Frankfort Park District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Frankfort Park District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Frankfort Park District's internal control over financial reporting and compliance.

Hearne & Associates, P.C.

October 22, 2026
Mokena, IL

Hearne & Associates, P.C.
Certified Public Accountants

Frankfort Park District, Illinois

Management's Discussion and Analysis
May 31, 2026

The discussion and analysis of Frankfort Park District's financial performance provides an overview of the Park District's financial activities for the fiscal year ended May 31, 2026. Please read it in conjunction with the Park District's financial statements.

Financial Highlights

Net Position at May 31, 2026 was $13,935,790 an increase of $1,676,837 from the prior year. This is mainly due to the Park District receiving $1,655,282 in capital grants and contributions. The Park District used grant funds on the Fort Frankfort project in Commissioner's Park.

Capital Grants and Contributions revenue increased $1,330,827 from the prior year due to the Park District receiving more in state grant funding.

The Park District expended $1,903,259 on Capital Assets and the Park District also paid $55,000 in debt principal.

The Assessed Valuation of the Park District increased by $78,012,170 which will bring it to $1,212,150,239 for the 2025 Tax Levy Year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 9-10) provide information about the activities of the Park District as a whole and present a long-term view of the Park District's finances. Fund financial statements (pages 11-14) tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report operations in more detail than government-wide statements by providing information about the Park District's most financially significant funds.

Government-wide Financial Statements: One of the most important questions asked about the Park District's finances is, "Is the Park District as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Park District's net position and changes in them. You can think of the Park District's net position, as the difference between the assets the Park District owns and the liabilities the Park District owes as one way to measure the Park District's financial health, or financial position. Over time, increases or decreases in the Park District's net position are one indicator of whether the Park District is improving or deteriorating financially. You will need to consider other non-financial factors, however, such as changes in the Park District's jurisdiction, the availability of capital projects, and continuing local government support to assess the overall health of the Park District.

Fund Financial Statements: The major funds reported in this report are the General Fund, Recreation Fund, Special Recreation Fund and Capital Development Fund. All other funds are considered nonmajor and are grouped together in the Nonmajor Governmental Funds category. Restricted funds do not significantly affect the availability of fund resources for future use.

Some funds are required to be established by state law; however, the Board of Trustees establishes many other funds to help control and manage money received for particular purposes. The Park District has several Governmental Funds.

Governmental Funds: The Park District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Park District's operations and the services it provides. The governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Park District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation on the fund statements.

Notes to the Basic Financial Statements: The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes begin on page 15 in this report.

Other Information: In addition to the basic financial statements and the accompanying notes, this report also presents combining and individual fund statements and tables in the Other Supplementary Information of the report.

District-wide Financial Analysis

Condensed Statement of Net Position,
Year Ended May 31,

	2026	2025
Current and Other Assets	$ 5,640,524	$ 5,133,495
Capital Assets (net of accum depr)	13,387,326	11,980,634
Total Assets	19,027,850	17,114,129
Deferred Outflows of Resources	223,493	324,265
Current and Other Liabilities	637,889	448,536
Long-Term Debt	2,009,311	2,266,865
Total Liabilities	2,647,200	2,715,401
Deferred Inflows of Resources		
Pension Related	268,767	168,609
Deferred Revenue	2,399,586	2,295,431
Total Deferred Inflows of Resources	2,668,353	2,464,040
Net Position		
Net Investment in Capital Assets	11,876,702	10,412,197
Restricted	1,372,029	1,133,220
Unrestricted	687,059	713,536
Total Net Position	$ 13,935,790	$ 12,258,953

The assets of the Park District are classified as current and other assets and capital assets. Current assets are available to provide resources for the near-term operations of the Park District.

The largest portion of the Park District's net position (85.22%) reflects the net investment in capital assets, which is capital assets, less any related debt used to acquire those assets that are still outstanding.

Condensed Statement of Activities,
Year Ended May 31,

	2026	2025
Program Revenues:		
Charges for Services	$ 1,377,331	$ 1,276,304
Operating Grants & Contributions	27,806	62,000
Capital Grants & Contributions	1,655,282	324,455
Total Program Revenues	3,060,419	1,662,759
General Revenues:		
Property Taxes	2,295,178	2,182,387
Replacement Taxes	21,589	22,051
Unrestricted Interest	115,197	124,823
Other General Revenues	27,004	4,512
Total General Revenues	2,458,968	2,333,773
Total Revenues	5,519,387	3,996,532
Expenses:		
General Government	1,580,547	1,829,839
Culture & Recreation	2,201,403	2,172,088
Interest on Long-Term Debt	60,600	66,078
Total Expenses	3,842,550	4,068,005
Change in Net Position	1,676,837	(71,473)
Net Position, Beginning of Year	12,258,953	12,330,426
Net Position, End of Year	$ 13,935,790	$ 12,258,953

Revenue is divided into two major components, program revenue and general revenue. Program revenue is defined as charges for services and sales and operating and capital grants and contributions. General revenues include property taxes, replacement taxes and unrestricted income.

The increase in Charges for Services revenue represents increased program attendance for the current year. The increase was a continued trend from the prior year. The increase in Capital Grants and Contributions was due to state grant funds received.

Expenditures for Culture and Recreation for the year ending May 31, 2026 were $2,201,403 and increased by $29,315, or 1.35% compared to the prior year. This was primarily due to an increase in capital projects which have been capitalized. Expenditures for General Government for year ending May 31, 2026 were $1,580,547 and decreased by $249,292 or 13.62% compared to the prior year. This is primarily due to a decrease of pension expense in the amount of $270,909.

Budgetary Highlights

As seen in the following table, for the general fund, actual revenue was more than budgeted, mainly due to personal property replacement tax income being more than expected. Overall, the other funds budget revenue exceeded the actual revenue.

For the General Fund, expenditures were less than budgeted amounts mainly due to actual salaries and professional fees being less than the budgeted amounts.

	Budget	Actual
Revenues:		
General Fund	$ 1,704,543	$ 1,772,794
Other Funds	3,706,805	3,746,593
Total Revenues	$ 5,411,348	$ 5,519,387
Expenditures:		
General Fund	$ 1,520,460	$ 1,388,864
Other Funds	3,547,906	3,917,835
Total Expenditures	$ 5,068,366	$ 5,306,699

Capital Assets

Capital Assets of the governmental activities at year-end were as follows:

	2026	2025
Land	$ 6,903,000	$ 6,903,000
Construction in Progress	27,425	226,480
Buildings and Improvements	13,855,051	11,854,851
Machinery and Equipment	3,000,857	2,899,216
Accumulated Depreciation	(10,399,007)	(9,902,913)
Total Net Capital Assets	$ 13,387,326	$ 11,980,634

More detail on capital assets can be found in Note 4 in the Notes to the Basic Financial Statements.

Long-Term Debt

The Park District retired $55,000 of principal related to a general obligation bond. The remaining principal balance on the bond issue is $1,460,000. Additional information on long-term debt can be found in Note 5 in the Notes to the Basic Financial Statements.

	Balance June 1, 2025	Issued	Retired	Balance May 31, 2026
Bonds Payable	$ 1,515,000	$ -	$ 55,000	$ 1,460,000
Bond Premium	53,438	-	2,813	50,625
Compensated Absences*	64,884	4,197	-	69,081
Net Pension Liability	691,358	-	203,940	487,418
Totals	$ 2,324,680	$ 4,197	$ 261,753	$ 2,067,124

* The Change in compensated absences liability is presented as a net change

Current Financial Issues and Concerns

In fiscal year 2025-2026, the Park District experienced continued growth in program participation, particularly in summer camp programming. This increase led to a corresponding rise in recreation revenues.

During this fiscal year, the Park District advanced work on the $1.7 million DCEO grant awarded by the State of Illinois in FY 2023–2024. The playground opened to the community in May of 2026.

A key ongoing challenge for the Park District continues to be the management of aging assets. With funding primarily derived from property taxes — restricted by the Property Tax Extension Limitation Law (PTELL) — it is increasingly difficult to maintain the Park District's aging inventory of parks and facilities. The Founders Center, a century-old building, requires significant improvements, including roof replacement, HVAC upgrades, and plumbing system repairs. Additionally, many of the District's playgrounds are over 20 years old and in need of modernization.

Due to these growing needs, the Park District Board is actively engaging the community to assess support for pursuing a referendum — either for a tax rate increase or a bond issuance — to fund the renovation or construction of essential facilities.

Request for Information

The financial report is designed to provide a general overview of the Park District's finances for all those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director at 140 Oak Street, Frankfort, IL 60423.

BASIC FINANCIAL STATEMENTS

Frankfort Park District, Illinois
Statement of Net Position
May 31, 2026

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 1,219,867
Investments	2,185,134
Property Taxes Receivable	2,235,523
Capital Assets not Being Depreciated	6,930,425
Capital Assets Being Depreciated, net	6,456,901
Total Assets	19,027,850
Deferred Outflows of Resources	
Related to Pensions	223,493
Liabilities	
Accounts Payable	93,909
Accrued Expenses	103,244
Accrued Interest	22,001
Unearned Revenue	360,923
Long-term Obligations, due within one year:	
General Obligation Bonds	55,000
Bond Premium	2,812
Long-term Obligations, due in more than one year:	
Compensated Absences	69,081
Net Pension Liability	487,418
General Obligation Bonds	1,405,000
Bond Premium	47,812
Total Liabilities	2,647,200
Deferred Inflows of Resources	
Related to Pensions	268,767
Unavailable Property Tax Revenue	2,399,586
Total Deferred Inflows of Resources	2,668,353
Net Position	
Net Investment in Capital Assets	11,876,702
Restricted for:	
Special Recreation	120,675
Capital Development	1,140,169
Debt Service	6,955
Liability Insurance	87,499
Audit	2,101
IMRF	14,630
Unrestricted	687,059
Total Net Position	$ 13,935,790

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois

Statement of Activities

Year Ended May 31, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue and Change in Net Position: Governmental Activities
Governmental Activities:					
General Government	$ 1,580,547	$ -	$ -	$ -	$ (1,580,547)
Culture and Recreation	2,201,403	1,377,331	27,806	1,655,282	859,016
Interest on Long-term Debt	60,600	-	-	-	(60,600)
Total Governmental Activities	$ 3,842,550	$ 1,377,331	$ 27,806	$ 1,655,282	(782,131)
General Revenues:					
Taxes:					
Property Taxes					2,295,178
Replacement Taxes					21,589
Unrestricted Interest					115,197
Other General Revenues					27,004
Total General Revenues					2,458,968
Change in Net Position					1,676,837
Net Position, Beginning of Year					12,258,953
Net Position, End of Year					$ 13,935,790

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois
Balance Sheet
Governmental Funds
May 31, 2026

	Major Funds					
	General	Recreation	Special Recreation	Capital Development	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Investments	$ 1,578,748	$ 371,127	$ 146,323	$ 1,165,169	$ 143,634	$ 3,405,001
Property Taxes Receivable	1,228,805	419,372	349,477	-	237,869	2,235,523
Total Assets	$ 2,807,553	$ 790,499	$ 495,800	$ 1,165,169	$ 381,503	$ 5,640,524
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities:						
Accounts Payable	$ 93,909	$ -	$ -	$ -	$ -	$ 93,909
Accrued Expenses	73,776	14,476	-	-	14,992	103,244
Unearned Revenue	-	335,923	-	25,000	-	360,923
Total Liabilities	167,685	350,399	-	25,000	14,992	558,076
Deferred Inflows of Resources:						
Deferred Property Taxes	1,228,805	419,372	349,477	-	237,869	2,235,523
Advanced Collections	90,181	30,777	25,648	-	17,457	164,063
Total Deferred Inflows of Resources	1,318,986	450,149	375,125	-	255,326	2,399,586
Fund Balances (Deficits):						
Restricted for:						
Special Recreation	-	-	120,675	-	-	120,675
Capital Development	-	-	-	1,140,169	-	1,140,169
Debt Service	-	-	-	-	6,955	6,955
Liability Insurance	-	-	-	-	87,499	87,499
Audit	-	-	-	-	2,101	2,101
IMRF	-	-	-	-	14,630	14,630
Unassigned	1,320,882	(10,049)	-	-	-	1,310,833
Total Fund Balances (Deficits)	1,320,882	(10,049)	120,675	1,140,169	111,185	2,682,862
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,807,553	$ 790,499	$ 495,800	$ 1,165,169	$ 381,503	$ 5,640,524

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
May 31, 2026

Total Fund Balances - Governmental Funds		$ 2,682,862
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital Assets	$ 23,786,333	
Accumulated Depreciation	(10,399,007)	
		13,387,326
Some amounts reported in the Statement of Net Position do not require or provide current financial resources and therefore are not reported in the governmental funds. These amounts consist of:		
Deferred Outflows of Resources Related to Pensions		223,493
Deferred Inflows of Resources Related to Pensions		(268,767)
General Obligation Bond Payable		(1,460,000)
Bond Premium		(50,624)
Net Pension Liability		(487,418)
Compensated Absences		(69,081)
Accrued Interest		(22,001)
Net Position of Governmental Activities		$ 13,935,790

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended May 31, 2026

	Major Funds					
	General	Recreation	Special Recreation	Capital Development	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$ 1,609,119	$ 1,134	$ 350,400	$ -	$ 334,525	$ 2,295,178
Replacement Taxes	21,589	-	-	-	-	21,589
Grants (Refunds)	26,556	-	-	1,282,604	-	1,309,160
Program Revenue	-	1,338,999	-	-	-	1,338,999
Developer Contributions	-	-	-	372,678	-	372,678
Donations	1,250	-	-	-	-	1,250
Rental	12,031	26,326	-	-	-	38,357
Interest	78,459	-	-	36,738	-	115,197
Miscellaneous	23,790	3,189	-	-	-	26,979
Total Revenues	1,772,794	1,369,648	350,400	1,692,020	334,525	5,519,387
Expenditures						
Current:						
General Government	1,324,190	-	-	-	194,141	1,518,331
Culture and Recreation	-	1,499,586	269,922	-	-	1,769,508
Debt Service:						
Principal	-	-	-	-	55,000	55,000
Interest and Other Charges	-	-	-	-	60,600	60,600
Capital Outlay	64,674	-	253,087	1,585,498	-	1,903,259
Total Expenditures	1,388,864	1,499,586	523,009	1,585,498	309,741	5,306,698
Excess (Deficiency) of Revenues Over (Under) Expenditures	383,930	(129,938)	(172,609)	106,522	24,784	212,689
Other Financing Sources (Uses)						
Transfers In (Out)	(400,000)	100,000	-	300,000	-	-
Total Other Financing Sources (Uses)	(400,000)	100,000	-	300,000	-	-
Net Change in Fund Balance	(16,070)	(29,938)	(172,609)	406,522	24,784	212,689
Fund Balance (Deficit), Beginning of Year	1,336,952	19,889	293,284	733,647	86,401	2,470,173
Fund Balance, End of Year	$ 1,320,882	$ (10,049)	$ 120,675	$ 1,140,169	$ 111,185	$ 2,682,862

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended May 31, 2026

Net change in fund balance	$	212,689
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation expense exceeded capital outlays in the current period:		
Capital Outlay		1,902,786
Depreciation Expense		(496,095)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Position.		55,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds:		
Change in Pension Obligation		3,010
Decrease in Compensated Absenses		(4,197)
Amortization Expense		2,813
Accrued Interest		831
Change in net position of governmental activities	$	1,676,837

See Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies

Frankfort Park District is located in Southern Cook County and Northern Will County and is operated under a Board of Commissioners and Director form of management. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America established by the GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board, and either: (a) the ability to impose by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

2) Fiscal dependency on the primary government.

The accompanying financial statements present the Frankfort Park District only. There are no component units that are required to be included with these financial statements.

The Park District has a separately elected Board, the power to levy taxes, the authority to expend funds, the responsibility to designate management, the ability to prepare and modify a budget and the authority to issue debt. Therefore, the Park District is not included as a component unit of any other entity.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Governmental Activities generally are financed through taxes, intergovernmental revenue, and non-exchange revenue.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to residents who purchase, use or directly benefit goods, services or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Revenues that are not classified as program revenues, such as taxes and other income items that are not specifically related to a function are reported as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Park District.

The Park District has reported three categories of program revenues in the Statement of Activities: (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as State of Illinois; they reduce the net cost of each function to be

1. Summary of Significant Accounting Policies (continued)

financed from the Park District's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Net position represents the difference between assets and liabilities. Net investments in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition/construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Park District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into 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 that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Park District (General Fund) or meets the following criteria:

a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Park District reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Park District. It is used to account for and report all financial resources not accounted for and reported in another fund.

Recreation Fund – The Recreation Fund, a special revenue fund, accounts for all revenue and expenditures related to the recreation activities and programs. Revenues of the Recreation Fund include property taxes, user charges, contributions, and miscellaneous income.

Special Recreation Fund – The Special Recreation Fund, a special revenue fund, accounts for all revenues and expenditures related to the cost of providing recreational activities and facilities to handicapped taxpayers of the Park District. Revenues of the Special Recreation Fund include property taxes.

Capital Development Fund – The Capital Development Fund is a Capital Projects fund type used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. Revenues include impact fees and bond proceeds.

1. Summary of Significant Accounting Policies (continued)

The Park District also reports the following nonmajor governmental funds:

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general long-term debt primarily from taxes levied by the Park District.

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Park District's nonmajor special revenue funds are the Liability and Workmen's Compensation Fund, the Audit Fund, and the Illinois Municipal Retirement Fund (IMRF).

Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, liabilities, and deferred inflows of resources (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. These funds are budgeted in this manner. This presentation is deemed most appropriate to: (a) demonstrate legal and covenant compliance, and (b) demonstrate the source and use of liquid resources. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental columns, (due mainly to the inclusion of capital assets and long-term debt activity in the government-wide presentation) a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Governmental fund revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Park District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period.

Revenues considered to be susceptible to accrual include property taxes and intergovernmental revenue. Amounts have been recognized as receivables for these revenue sources. All other revenue items are considered to be measurable and available only when cash is received by the Park District.

Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

1. Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments

The Park District considers cash and investments with an original maturity of less than 90 days to be cash equivalents. Cash and cash equivalents consisted of checking and money market accounts at financial institutions. Investments are stated at fair value.

Short-term Interfund Receivable/Payables

During the course of operation, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Interfund Receivable" or "Interfund Payable" on the balance sheet.

Other Significant Accounting Policies

Capital Assets

Capital assets are stated on the basis of historical cost. Major capital asset additions are financed primarily from bond proceeds. Assets acquired through gifts or donations are recorded at their estimated fair value at the time of acquisition. The Park District has established a capitalization threshold of $5,000 for land improvements, buildings, and equipment.

Depreciation of Capital Assets

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are shown below:

Buildings and Improvements	20-50 Years
Machinery and Equipment	5-20 Years

Compensated Absences

In accordance with GASB 101, Compensated Absences, the Park District recognizes compensated absences as a liability incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only for amounts due and payable. The liability for compensated absences includes salary-related benefits, where applicable.

The liability for compensated absences report in the government-wide statements consists of unpaid, accumulated vacation and sick leave balances. Using the termination method, the Park District accrues the earned benefits to the extent it is probable that the benefits will result in termination cash payments.

The Park District recognizes a liability for compensated absences for leave that: (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

1. Summary of Significant Accounting Policies (continued)

Sick Leave – Full-time employees are granted 5 sick days per year while part-time employees are granted two sick days per year. Employees may accumulate up to 15 days of sick time. Days in excess of 15 will be placed in a reserve account and may be only be used towards Illinois Municipal Retirement Fund (IMRF) service credits. Up to 240 accumulated sick days may be used toward IMRF retirement.

Vacation Leave – Vacation leave is accumulated depending on years of service and full-time or part-time status. Full-time employees accrue between 10 and 20 days a year depending on years of service while part-time employees accrue between 5 and 7 days.

Fund Balances

The Park District's fund balances are required to be reported using five separate classifications as listed below. The Park District may not necessarily utilize each classification in a given fiscal year.

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification may include inventories and assets held for sale.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Park District's highest level of decision-making authority, the Park District's Board of Commissioners.

Assigned fund balance – Amounts that are constrained by the Park District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Park District's Board of Commissioners, or another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, assigned fund balance is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Use of Resources Policy

The Park District considers restricted resources to have been used first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted balances are available. Committed, assigned, and unassigned amounts are considered to have been spent in that order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Expenditures incurred for a specifically identified purpose will reduce the specific identified classification of fund balance.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The process of preparing financial statements in conformity with the modified accrual basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements.

2. Cash and Investments

Deposits

Cash consisted of checking accounts, which were carried at cost. At May 31, 2026, the carrying amount of the Park District's deposits was $1,219,267, (exclusive of $600 held in petty cash funds) and the bank balance was $1,280,177.

Custodial Credit Risk – this is the risk that in the event of a bank failure, the Park District's deposits may not be returned to it. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities of the U.S. Government held in the Park District's name by financial institutions acting as the Park District's agent.

Investments

Credit Risk – The Park District is allowed to invest in securities as authorized by the Public Funds Investment Act (30 ILCS 235). The Park District's investment policy does not further limit its investment choices. As of May 31, 2026, the Park District has investments in bank certificates of deposit that total $2,185,134. There are no credit ratings available for this investment.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Park District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk – The Park District limits the amount it may invest in any one bank or savings and loan to ten percent of the investment portfolio. At year-end, the Park District held all of its deposits in one bank.

Interest Rate Risk – The Park District's formal investment policy limits investment maturities to money market mutual funds and short-term investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurement

The Park District categorizes its fair value measurements with the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The levels are as follows:

Level 1: Inputs are quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs are quoted prices in inactive markets to similar assets or liabilities, or inputs that are observable or can be corroborated by observable market data.

Level 3: Inputs are significant unobservable inputs.

2. Cash and Investments (continued)

The Park District's investment in certificates of deposit is considered to be a level 2.

The following is a summary of cash equivalents and investments at May 31, 2026:

Per Statement of Net Position:		Per Note 2:	
Cash Equivalents	$ 1,219,867	Cash and Equivalents	$ 1,219,267
Certificates of Deposit	2,185,134	Petty Cash	600
Total Cash and		Certificates of Deposit	2,185,134
Investments	$ 3,405,001	Total per Note 2	$ 3,405,001

3. Property Taxes

The legal right to revenue from property tax assessments is established annually by the Board of Commissioners' enactment of a tax levy ordinance. Proceeds of a specific levy are generally not available for use until the next subsequent fiscal year. It is the Park District's budgetary practice to consider the proceeds from a given tax levy as being available to finance operations of the fiscal year in which the majority of the levy is collected. Accordingly, taxes receivable, net of allowance for uncollectible amounts are included in the balance sheet upon enactment of the annual tax levy but the recognition of revenue is deferred until the following year.

The property tax calendar for the 2025 tax levy year is as follows:

	Cook County	Will County
Lien Date	January 1, 2025	January 1, 2025
Levy Date	December 9, 2025	December 9, 2025
First Installment Due Date	April 1, 2026	June 1, 2026
Second Installment Due Date	October 1, 2026	September 1, 2026

4. Capital Assets

The following is a summary of changes in capital assets for governmental activities during the year.

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated				
Land	$ 6,903,000	$ -	$ -	$ 6,903,000
Construction in Progress	226,480	27,425	(226,480)	27,425
Total Capital Assets not being Depreciated	7,129,480	27,425	(226,480)	6,930,425
Capital Assets being Depreciated				
Buildings and Improvements	11,854,851	2,000,200	-	13,855,051
Machinery & Equipment	2,899,216	101,641	-	3,000,857
Total Capital Assets being Depreciated	14,754,067	2,101,841	-	16,855,908
Less: Accumulated Depreciation for:				
Buildings and Improvements	8,012,503	407,896	-	8,420,399
Machinery & Equipment	1,890,409	88,199	-	1,978,608
Total Accumulated Depreciation	9,902,912	496,095	-	10,399,007
Total Capital Assets being Depreciated, Net	4,851,155	1,605,746	-	6,456,901
Governmental Activities, Total Capital Assets, Net	$ 11,980,635	$ 1,633,171	$ (226,480)	$ 13,387,326

The depreciation expense of $496,095 was all charged to the Cultural and Recreation Governmental activity.

5. Long-Term Debt

The Park District has recorded long-term liabilities of governmental activities in the Statement of Net Position. The General Obligation bond is a direct obligation and pledges full faith and credit from the Park District. Both the bond and the notes are payable from property taxes deposited into the Park District's Debt Service Fund. During the fiscal year, the following changes occurred in long-term liabilities of Governmental Activities:

	Balance June 1, 2025	Issuances	Retirements	Balance May 31, 2026	Amount Due Within One Year
General Obligation Bond:					
Series 2019	$ 1,515,000	$ -	$ 55,000	$ 1,460,000	$ 55,000
Premium on GO Debt - 2019	53,437	-	2,813	50,624	2,812
Compensated Absences*	64,884	4,197	-	69,081	-
Net Pension Liability	691,358	-	203,940	487,418	-
Total	$ 2,324,679	$ 4,197	$ 261,753	$ 2,067,123	$ 57,812

* The Change in compensated absences liability is presented as a net change

5. Long-Term Debt (continued)

General Obligation Bonds

$1,715,000 2019 General Obligation Limited Tax Park Bonds, payable in annual installments ranging from $45,000 to $110,000 on January 15th with interest payable semiannually on January and July 15th with rates at 4%.

Annual debt service requirements for each of the next four fiscal years are as follows:

Year Ending May 31st	Principal	Interest	Total
2027	$ 55,000	$ 58,400	$ 113,400
2028	60,000	56,200	116,200
2029	60,000	53,800	113,800
2030	65,000	51,400	116,400
2031	65,000	48,800	113,800
2032-2036	375,000	202,200	577,200
2037-2041	460,000	120,600	580,600
2042-2044	320,000	25,800	345,800
Total	$ 1,460,000	$ 617,200	$ 2,077,200

The Legal Debt Margin for the Park District is as follows:

2025 Assessed Valuation	$ 1,212,150,239
Statutory Debt Limitation (2.875%)	$ 34,849,319
Less: Outstanding General Obligation Bonds	1,460,000
Legal Debt Margin	$ 33,389,319

6. **Individual Fund Disclosures**

The Park District had the following transfers between funds during the fiscal year:

Fund Name	Transfer Out	Transfer In
General	$ 400,000	$ -
Recreation	-	100,000
Capital Development	-	300,000
	$ 400,000	$ 400,000

7. Pension and Retirement Commitments

IMRF Plan Description

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

Benefits Provided

The Park District participates in the Regular Plan (RP).

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 10 years of service, divided by 48.

Under Tier 1, the pension has 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 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

7. Pension and Retirement Commitments (continued)

Employees Covered by Benefit Terms

As of December 31, 2025, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	15
Inactive Plan Members entitled to but not yet receiving benefits	10
Active Plan Members	18
Total	43

Contributions

As set by statute, the Park District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires Districts to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Park District's annual contribution rate for calendar year 2025 was 10.17%. For the calendar year 2025, the Park District contributed $113,713 to the plan. The Park District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

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

7. Pension and Retirement Commitments (continued)

- For Active Members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2025:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	32.50%	7.35%
International Equity	18.00%	7.45%
Fixed Income	24.00%	4.75%
Real Estate	10.50%	6.25%
Alternative Investments	14.00%	3.90% - 8.50%
Cash Equivalents	1.00%	3.00%
Total	100.00%	

Single Discount Rate

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

7. Pension and Retirement Commitments (continued)

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in the total pension liability and changes in the plan net position. The Schedule of Changes in Net Pension Liability and Related Ratios, presented as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances Beginning at 1/1/2025	$ 3,711,467	$ 3,020,109	$ 691,358
Charges for the year:			
Service Cost	101,704	-	101,704
Interest	268,325	-	268,325
Actuarial Experience	66,590	-	66,590
Assumptions Changes	-	-	-
Contributions - Employer	-	113,713	(113,713)
Contributions - Employee	-	48,983	(48,983)
Net Investment Income	-	451,143	(451,143)
Benefit Payments from Trust	(122,576)	(122,576)	-
Other (Net Transfer)	-	26,720	(26,720)
Net Changes	314,043	517,983	(203,940)
Balances Ending at 12/31/2025	$ 4,025,510	$ 3,538,092	$ 487,418

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

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

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Total Pension Liability	$ 4,622,523	$ 4,025,510	$ 3,536,000
Less: Plan Fiduciary Net Position	3,538,092	3,538,092	3,538,092
Net Pension Liability	$ 1,084,431	$ 487,418	$ (2,092)

7. Pension and Retirement Commitments (continued)

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

For the year ended May 31, 2026, the Park District recognized pension benefit of $3,010. At May 31, 2026, the Park District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	$ 82,012	$ -	$ 82,012
Changes of assumptions	1,437	-	1,437
Net difference between projected and actual earnings on pension plan investments	115,004	268,767	(153,763)
Total Deferred Amounts to be recognized in future periods	198,453	268,767	(70,314)
Pension Contributions made subsequent to the Measurement Date	25,040	-	25,040
Total Deferred Amounts Related to Pensions	$ 223,493	$ 268,767	$ (45,274)

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

Year Ending December 31,	Net Deferred Outflows of Resources
2026	$ 69,971
2027	(54,345)
2028	(45,000)
2029	(40,940)
2030	-
Thereafter	-
Total	$ (70,314)

8. Risk Management

PDRMA – The Frankfort Park District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses. The amount of settlements have not exceeded insurance coverage in the past three years.

Since June 1, 1992, the Frankfort Park District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park districts, forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2026 through January 1, 2027:

8. Risk Management (continued)

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
Property					
All Losses per Occurrence	$ 1,000	$ 1,000,000	$1,000,000,000/All members Declaration 11	PDRMA Reinsurers: Various Reinsurers through the Alliant Property Insurance Program (APIP)	P070125
Flood/except Zones A & V	$ 1,000	$ 1,000,000	$100,000,000/Occurrence/Annual/ Aggregate		
Flood, Zones A & V	$ 1,000	$ 1,000,000	$50,000,000/Occurrence/Annual/ Aggregate		
Earthquake Shock	$ 1,000	$ 100,000	$100,000,000/Occurrence/Annual/ Aggregate		
Auto Physical Damage Comprehensive & Collision	$ 1,000	$ 1,000,000	Included		
Course of Construction/		Included	$25,000,000/projects in excess of $15,000,000 require approval		
Tax Revenue Interruption	$ 1,000	$ 1,000,000	$300,000,000/Reported Values $1,000,000/Non-Reported Values		
Business Interruption, Rental Income, Tax Income	$ 1,000		$100,000,000/Reported Values $500,000/ $2,500,000/Non-Reported Values		
Off Premises Service Interruption	24 Hours	N/A	$25,000,000 Other Sub-Limits Apply - Refer to Coverage Document		
Boiler and Machinery			$100,000,000 Equipment Breakdown		
Property Damage	$ 1,000	$ 9,000	Property Damage - Included	Travelers Indemnity Co. of Illinois	BME10525L478-TIL-26
Business Income	48 Hours	N/A	Included Other Sub-Limits Apply - Refer to Coverage Document		
Fidelity and Crime	$ 1,000	$ 24,000	$2,000,000/Occurrence	National Union Fire Insurance Co.	05-778-80-20
Seasonal Employees	$ 1,000	$ 9,000	$1,000,000/Occurrence		
Blanket Bond	$ 1,000	$ 24,000	$2,000,000/Occurrence		
Workmen's Compensation	N/A	$ 500,000	Statutory	PDRMA	WC010126
Employers' Liability		$ 500,000	$3,500,000	Gov't Entities Mutual (GEM)	GEM-0003-A20001
				Safety National	SP4067759
Liability					
General	None	$ 500,000	$21,500,000/Occurrence	PDRMA Reinsurers: GEM/ Great American	L010126
Auto Liability	None	$ 500,000	$21,500,000/Occurrence		GEM-0003-A26001
Employment Practices	None	$ 500,000	$21,500,000/Occurrence		PAR001-27
Public Official's Liability	None	$ 500,000	$21,500,000/Occurrence	Genesis	C501-26
Law Enforcement Liability	None	$ 500,000	$21,500,000/Occurrence		
				AWAC	USXPE1187926
Uninsured/Underinsured Motorist	None	$ 500,000	$1,000,000/Occurrence		0312-6656
Communicable Disease	$1,000/$5,000	$ 5,000,000	$250,000/claim/aggregate;$5M aggregate all members		

8. Risk Management (continued)

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
Pollution Liability					
Liability-Third Party	None	$ 25,000	$5,000,000/Occurrence	XL Environmental	PEC002535808
Property-First Party	$ 1,000	$ 24,000	$30,000,000 3yr Aggregate	Insurance	
Outbreak Expense			$1 million aggregate policy limit	Great American	OB010126
Outbreak suspension	24 Hours	N/A	$5,000/$25,000/day all locations $150,000,$500,000 aggregate		
Workplace violence suspension	24 Hours	N/A	$15,000 Per Day all locations 5 day maximum		
Fungus suspension	24 Hours	N/A	$15,000 Per Day all locations 5 day maximum $1,000,000 Aggregate Policy Limit		
Information Security & Privacy Insurance with Electronic Media Liability Coverage					
Breach Response	$ 1,000	$ 50,000	$500,000/Occurrence/Annual Aggregate $1 million if Beazley vendors used	Beazley Lloyds Syndicate AFB 2623/623 through the PEPIP program	
Business Interruption due to Security Breach	8 hours	$ 50,000	$750,000/Occurrence/Annual Aggregate		
Business Interruption Due to System Failure	8 hours	$ 50,000	$500,000/Occurrence/ Annual Aggregate		
Dependent Business Loss Due to Security Breach	8 hours	$ 50,000	$750,000/Occurrence/Annual Aggregate		
Liability	$ 1,000	$ 50,000	$2,000,000/Occurrence/ Annual Aggregate		
Ecrime	$ 1,000	$ 50,000	$75,000/Occurrence/Annual Aggregate		
Criminal Reward	$ 1,000	$ 50,000	$25,000/Occurrence Annual Aggregate		
Deadly Weapon Response				Underwritten at Lloyds of London	FN2505500
Liability	$ 1,000	$ 9,000	$500,000 per occ/ $2,500,000 annual agg. For all members		
First Party Property	$ 1,000	$ 9,000	$250,000 per occ. as par of overall limit		
Crisis Mgmt. Services	$ 1,000	$ 9,000	$250,000 per occ. as par of overall limit		
Counseling/Funeral Expenses	$ 1,000	$ 9,000	$250,000 per occ. as par of overall limit		
Medical Expenses	$ 1,000	$ 9,000	$25,000 per person/$500,000 annual agg. as part of overall limit		
AD&D	$ 1,000	$ 9,000	$50,000 per person/$500,000 annual agg. as part of overall limit		
Volunteer Medical	None	$ 5,000	$5,000 Medical Expenses and AD&D Excess of other Collectible Insurance	Self-Insurance	
Underground Storage Tank Liability	None	N/A	$10,000 follows Illinois Leaking Underground Tank Fund	Self-Insured	
Unemployment Comp.	N/A	N/A	Statutory	Member-Funded	

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Frankfort Park District.

8. **Risk Management (continued)**

As a member of PDRMA's Property/Casualty Program, the Park District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Frankfort Park District's governing body. The Park District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA.

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member. PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's Property/Casualty Program's balance sheet at December 31, 2025 and the Statement of Revenues and Expenses for the period ending December 31, 2025. The Frankfort Park District's portion of the overall equity of the pool is 0.055% or $17,952.

Assets	$56,187,810
Deferred Outflows of Resources – Pension	$1,060,872
Liabilities	$24,658,974
Deferred Inflows of Resources – Pension	$28,702
Total Net Position	$32,561,006
Revenues	$28,813,986
Expenditures	$36,563,087

Since 96.84% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted.

9. Joint Venture – Lincolnway Special Recreation Association

The Park District is a member of the Lincolnway Special Recreation Association (LWSRA) to provide recreation facilities and programs for special populations within the respective park districts. The Park District's contributions to LWSRA for the year ended May 31, 2026 was $255,174. Separate financial statements for the LWSRA are available upon written request to the Frankfort Park District.

10. Contracts and Commitments

Subsequent to the financial statement date, the Park District signed a contract for the development of a dog park in the amount of $306,142.

REQUIRED SUPPLEMENTARY INFORMATION

Frankfort Park District, Illinois
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund

Total Pension Liability	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Service Cost	$ 101,704	$ 84,297	$ 87,671	$ 78,202	$ 74,195	$ 78,953	$ 73,234	$ 68,317	$ 62,980	$ 72,860
Interest	268,325	250,446	233,117	217,560	202,490	188,058	171,595	160,617	148,642	139,094
Differences Between Expected and Actual Experience	66,590	30,855	45,688	47,908	64,561	130,131	105,913	19,088	120,361	21,956
Changes of Assumptions	-	-	4,785	-	-	(59,365)	-	81,589	(77,010)	(2,874)
Benefit Payments, Including Refunds	(122,576)	(132,821)	(128,290)	(139,366)	(131,401)	(141,281)	(111,760)	(101,841)	(94,097)	(108,448)
Net Change in Total Pension Liability	314,043	232,777	242,971	204,304	209,845	196,496	238,982	227,770	160,876	122,588
Total Pension Liability - Beginning	3,711,467	3,478,690	3,235,719	3,031,415	2,821,570	2,625,074	2,386,092	2,158,322	1,997,446	1,874,858
Total Pension Liability - Ending	$ 4,025,510	$ 3,711,467	$ 3,478,690	$ 3,235,719	$ 3,031,415	$ 2,821,570	$ 2,625,074	$ 2,386,092	$ 2,158,322	$ 1,997,446
Plan Fiduciary Net Position										
Contributions - Employer	$ 113,713	$ 108,364	$ 99,982	$ 95,867	$ 95,305	$ 83,204	$ 66,996	$ 65,819	$ 64,837	$ 73,906
Contributions - Employee	48,983	47,436	42,566	37,942	37,123	33,401	31,437	30,161	30,393	29,962
Net Investment Income	451,143	284,504	282,313	(362,071)	428,215	310,497	347,541	(106,665)	302,664	103,801
Benefit Payments, Including Refunds	(122,576)	(132,821)	(128,290)	(139,366)	(131,401)	(141,281)	(111,760)	(101,841)	(94,097)	(108,448)
Other	26,720	(214,629)	68,597	(20,591)	2,170	39,722	(7,801)	32,095	(32,654)	22,323
Net Change in Plan Fiduciary Net Position	517,983	92,854	365,168	(388,219)	431,412	325,543	326,413	(80,431)	271,143	121,544
Plan Fiduciary Net Position - Beginning	3,020,109	2,927,255	2,562,087	2,950,306	2,518,894	2,193,351	1,866,938	1,947,369	1,676,226	1,554,682
Plan Fiduciary Net Position - Ending	$ 3,538,092	$ 3,020,109	$ 2,927,255	$ 2,562,087	$ 2,950,306	$ 2,518,894	$ 2,193,351	$ 1,866,938	$ 1,947,369	$ 1,676,226
Employer's Net Pension Liability	$ 487,418	$ 691,358	$ 551,435	$ 673,632	$ 81,109	$ 302,676	$ 431,723	$ 519,154	$ 210,953	$ 321,220
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.89 %	81.37 %	84.15 %	79.18 %	97.32 %	89.27 %	83.55 %	78.24 %	90.23 %	83.92 %
Covered-Valuation Payroll	$ 1,088,506	$ 1,054,126	$ 945,902	$ 843,148	$ 785,051	$ 742,236	$ 698,601	$ 670,244	$ 675,398	$ 665,827
Employer's Net Pension Liability as a Percentage of Covered Payroll	44.78 %	65.59 %	58.30 %	79.89 %	10.33 %	40.78 %	61.80 %	77.46 %	31.23 %	48.24 %

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois
Schedule of Employer Contributions - Illinois Municipal Retirement Fund
Last Ten Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Valuation Payroll	Actual Contribution as a %
2016	$ 73,907	$ 73,906	$ 1	$ 665,827	11.10 %
2017	64,838	64,837	1	675,398	9.60 %
2018	65,818	65,819	(1)	670,244	9.82 %
2019	66,996	66,996	-	698,601	9.59 %
2020	83,205	83,204	1	742,236	11.21 %
2021	95,305	95,305	-	785,051	12.14 %
2022	95,866	95,867	(1)	843,148	11.37 %
2023	99,982	99,982	-	945,902	10.57 %
2024	108,364	108,364	-	1,054,126	10.28 %
2025	110,701	113,713	(3,012)	1,088,506	10.45 %

2025 Estimated based on contribution rate of 10.17% and covered valuation payroll of $1,088,506.

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	$ 1,602,493	$ 1,609,119	$ 6,626
Personal Property Replacement Taxes	20,000	21,589	1,589
Grants (Refunds)	-	26,556	26,556
Donations	4,500	1,250	(3,250)
Rental	9,050	12,031	2,981
Interest	65,000	78,459	13,459
Miscellaneous	3,500	23,790	20,290
Total Revenues	1,704,543	1,772,794	68,251
Expenditures			
Operating	1,520,460	1,324,190	(196,270)
Debt Service:			
Capital Outlay	-	64,674	64,674
Total Expenditures	1,520,460	1,388,864	(131,596)
Excess (Deficiency) of Revenues Over (Under) Expenditures	184,083	383,930	199,847
Other Financing Sources (Uses)			
Transfers	-	(400,000)	(400,000)
Net Change in Fund Balance	$ 184,083	(16,070)	$ (200,153)
Fund Balance, Beginning of Year		1,336,952	
Fund Balance, End of Year		$ 1,320,882	

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Recreation Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	$ 1,000	$ 1,134	$ 134
Preschool Program	198,503	197,618	(885)
Summer Day Camp	191,755	204,038	12,283
Prairie Care Program	202,386	226,127	23,741
Recreation Program	337,619	321,866	(15,753)
Fitness	67,288	61,149	(6,139)
Special Events	96,606	57,204	(39,402)
Adults/Seniors	77,635	142,217	64,582
Leagues	115,715	98,901	(16,814)
LWHS Pool Rental	-	1,158	1,158
Splash Park	15,700	17,824	2,124
Dog Park	1,000	7,762	6,762
Concession Stand	4,500	1,739	(2,761)
Athletic Field Reimbursement	1,000	-	(1,000)
Rental	16,500	25,168	8,668
Fund Raising	4,000	2,554	(1,446)
Miscellaneous	500	3,189	2,689
Total Revenues	1,331,707	1,369,648	37,941
Expenditures			
Current Program	1,514,701	1,499,586	(15,115)
Total Expenditures	1,514,701	1,499,586	(15,115)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(182,994)	(129,938)	53,056
Other Financing Sources			
Transfers	-	100,000	100,000
Net Change in Fund Balance	$ (182,994)	(29,938)	$ 153,056
Fund Balance, Beginning of Year		19,889	
Fund Balance (Deficit), End of Year		$ (10,049)	

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Special Recreation Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	$ 350,438	$ 350,400	$ (38)
Total Revenues	350,438	350,400	(38)
Expenditures			
Contractual	307,523	269,922	(37,601)
Capital Outlay	250,000	253,087	3,087
Total Expenditures	557,523	523,009	(34,514)
Net Change in Fund Balance	$ (207,085)	(172,609)	$ 34,476
Fund Balance, Beginning of Year		293,284	
Fund Balance, End of Year		$ 120,675	

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Capital Development Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Grants	$ 1,615,100	$ 1,282,604	$ (332,496)
Developer Contributions	75,000	372,678	297,678
Interest	-	36,738	36,738
Total Revenues	1,690,100	1,692,020	1,920
Expenditures			
Capital Outlay	1,169,000	1,585,498	416,498
Total Expenditures	1,169,000	1,585,498	416,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	521,100	106,522	(414,578)
Other Financing Sources			
Transfers	-	300,000	300,000
Net Change in Fund Balance	$ 521,100	406,522	$ (114,578)
Fund Balance, Beginning of Year		733,647	
Fund Balance, End of Year		$ 1,140,169	

See accompanying notes to the required supplementary information

1. Budgetary Basis of Accounting

The budget is prepared on a consistent basis as that used in financial reporting by the Park District. The budget was passed on May 13, 2025, and it was not amended after passage. For each fund, the total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year.

2. Budgets and Budgetary Information

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

1. Department heads propose expenditure estimates for the coming year. These estimates, if approved by the Executive Director, become the recommendations for presentation to the Board of Commissioners as the tentative combined Annual Budget and Appropriation Ordinance.
2. Notice is published in the paper and online that the tentative Annual Budget and Appropriation Ordinance is available for public inspection. The Ordinance is then presented at a public meeting after thirty days have passed.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The Treasurer is authorized to transfer up to 10 percent of the total budget between budget items within the fund; however, the Board of Commissioners must approve any revisions that alter the total disbursements of any fund.

3. Stewardship, Compliance, and Accountability

Expenditures may not legally exceed budgeted appropriations at the fund level. The following funds had an excess of actual expenditures over budget and appropriations in the current fiscal year:

Funds:	Amount in Excess of Budget
Capital Development	$ 416,498
Debt Service	2,325
Insurance	2,485
IMRF	2,104

The Park District had the following funds with deficit balances as of May 31, 2026:

Fund Name	Deficit
Recreation	$ 10,049

4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2025 Contribution Rate

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2025 Contribution Rates

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

OTHER SUPPLEMENTARY INFORMATION

Frankfort Park District, Illinois
Schedule of Expenditures - Budget and Actual - General Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Expenditures			
Operating:			
Salaries - Maintenance	$ 326,808	$ 268,131	$ (58,677)
Salaries Part-time Maintenance	33,070	45,608	12,538
Salaries - Admin	344,499	326,790	(17,709)
Salaries - Clerical	50,335	87,799	37,464
FICA	-	2,206	2,206
Group Insurance	128,726	105,931	(22,795)
Telephone	9,479	11,225	1,746
Postage	4,030	2,180	(1,850)
Dues	9,545	8,422	(1,123)
Conference & Seminar	23,938	24,014	76
Mileage Reimbursement	700	270	(430)
Meeting Expenses	3,500	2,948	(552)
Advertising	6,720	1,779	(4,941)
Board Expenses	2,480	2,042	(438)
Attorney Fees	31,500	17,667	(13,833)
Professional Fees	117,932	48,298	(69,634)
Legal Publications	800	1,420	620
Bank Charges Updated	-	336	336
Active net CC processing fees	1,680	10	(1,670)
Memorial Bench Expense	2,450	119	(2,331)
Office Supplies / Repairs	4,200	2,199	(2,001)
Computer / Website	49,570	35,912	(13,658)
Equipment Rental / Lease	41,395	33,662	(7,733)
Grant Expenditures	-	18,648	18,648
Building Supplies	8,900	19,409	10,509
Maintenance Supplies	13,850	8,604	(5,246)
Supplies Janitorial	-	197	197
Park Equipment / Maintenance	30,400	18,956	(11,444)
Natural Area Maintenance	150,375	126,848	(23,527)
Equipment Rental	1,900	1,011	(889)
Equipment Repair	15,000	7,029	(7,971)
Building Repair & Maint	40,000	24,380	(15,620)
Utilities	27,528	28,110	582
Vehicle Expense	7,700	7,945	245
Fuel	25,300	19,098	(6,202)
Uniforms	2,150	1,787	(363)
Athletic Org Billables	-	356	356
Miscellaneous Expenses	-	6,154	6,154
Contingencies	4,000	6,690	2,690
Total Expenditures	$ 1,520,460	$ 1,388,864	$ (131,596)

Frankfort Park District, Illinois
Schedule of Expenditures - Budget and Actual - Recreation Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Expenditures			
Salaries - Maintenance	$ 53,524	$ 49,878	$ (3,646)
Salaries Part-time Maintenance	-	67	67
Salaries - Admin	349,892	329,024	(20,868)
Salaries - Clerical	26,796	(1,111)	(27,907)
Group Insurance	72,162	69,645	(2,517)
Telephone	7,708	7,681	(27)
Postage	850	390	(460)
Dues	140	-	(140)
Garden Plot Expense	-	61	61
Active Net Usage Fees	14,438	13,781	(657)
Conference & Seminar	7,218	5,290	(1,928)
Mileage Reimbursement	2,000	1,314	(686)
Advertising	8,805	11,141	2,336
Active net CC processing fees	46,000	48,448	2,448
Office Supplies / Repairs	2,500	2,034	(466)
Computer / Website	25,020	25,758	738
Brochure Printing	27,560	23,984	(3,576)
Concession Stand Expense	2,300	2,748	448
Rental Expense	4,500	3,445	(1,055)
Pre-School Expenses	123,936	142,109	18,173
Summer Camp Expenses	120,738	110,442	(10,296)
Prairie Care Expenses	91,907	90,108	(1,799)
Fund Raising Expense	3,000	3,132	132
Program Expenses	211,388	201,243	(10,145)
Fitness	40,154	40,081	(73)
Sponsor Expense	-	451	451
Special Events Expense	62,378	51,571	(10,807)
Adult / Seniors	57,726	116,185	58,459
League Expenses	81,168	65,653	(15,515)
Scorekeeper	-	1,776	1,776
Dog Park Expenses	1,000	607	(393)
Splash Park Expenses	13,041	21,842	8,801
Building Supplies	-	(41)	(41)
Recreation Supplies Equip	7,000	5,443	(1,557)
Supplies Janitorial	3,500	1,706	(1,794)
Building Repair & Maint	23,300	29,392	6,092
Utilities	13,152	20,008	6,856
Landscaping Improvements	500	-	(500)
Uniforms	1,900	1,261	(639)
Athletic Field Equip	5,000	630	(4,370)
Contingencies	2,500	2,409	(91)
Total Expenditures	$ 1,514,701	$ 1,499,586	$ (15,115)

Frankfort Park District, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
May 31, 2026

	Debt Service	Liability Insurance and Workmen's Compensation	Audit	IMRF	Total Nonmajor Governmental Funds
Assets					
Cash and Investments	$ 14,732	$ 87,582	$ 3,094	$ 38,226	$ 143,634
Property Taxes Receivable	105,970	1,127	13,528	117,244	237,869
Total Assets	$ 120,702	$ 88,709	$ 16,622	$ 155,470	$ 381,503
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accrued Expenses	$ -	$ -	$ -	$ 14,992	$ 14,992
Total Liabilities	-	-	-	14,992	14,992
Deferred Inflows of Resources:					
Deferred Property Taxes	105,970	1,127	13,528	117,244	237,869
Advanced Collections	7,777	83	993	8,604	17,457
Total Deferred Inflows of Resources	113,747	1,210	14,521	125,848	255,326
Fund Balances:					
Restricted for:					
Debt Service	6,955	-	-	-	6,955
Liability Insurance and Workmen's Compensation	-	87,499	-	-	87,499
Audit	-	-	2,101	-	2,101
Employee Benefits	-	-	-	14,630	14,630
Total Fund Balances	6,955	87,499	2,101	14,630	111,185
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 120,702	$ 88,709	$ 16,622	$ 155,470	$ 381,503

Frankfort Park District, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended May 31, 2026

	Debt Service	Liability Insurance and Workmen's Compensation	Audit	IMRF	Total Nonmajor Governmental Funds
Revenues					
Property Taxes	$ 115,666	$ 86,183	$ 12,474	$ 120,202	$ 334,525
Total Revenues	115,666	86,183	12,474	120,202	334,525
Expenditures					
Current:					
Contractual	-	-	11,145	-	11,145
Employee Benefits	-	-	-	124,500	124,500
Insurance	-	58,496	-	-	58,496
Debt Service:					
Principal	55,000	-	-	-	55,000
Interest	60,600	-	-	-	60,600
Total Expenditures	115,600	58,496	11,145	124,500	309,741
Net Change in Fund Balance	66	27,687	1,329	(4,298)	24,784
Fund Balance, Beginning of Year	6,889	59,812	772	18,928	86,401
Fund Balance, End of Year	$ 6,955	$ 87,499	$ 2,101	$ 14,630	$ 111,185

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Debt Service Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	$ 115,678	$ 115,666	$ (12)
Total Revenues	115,678	115,666	(12)
Expenditures			
Debt Service:			
Principal	55,000	55,000	-
Interest	58,275	60,600	2,325
Total Expenditures	113,275	115,600	2,325
Net Change in Fund Balance	$ 2,403	66	$ (2,337)
Fund Balance, Beginning of Year,		6,889	
Fund Balance, End of Year		$ 6,955	

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Liability Insurance and Workmen's Compensation Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	$ 86,192	$ 86,183	$ (9)
Total Revenues	86,192	86,183	(9)
Expenditures			
Insurance	56,011	58,496	2,485
Total Expenditures	56,011	58,496	2,485
Net Change in Fund Balance	$ 30,181	27,687	$ (2,494)
Fund Balance, Beginning of Year		59,812	
Fund Balance, End of Year		$ 87,499	

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual -
Audit Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	$ 12,475	$ 12,474	$ (1)
Total Revenues	12,475	12,474	(1)
Expenditures			
Contractual Audit	15,000	11,145	(3,855)
Total Expenditures	15,000	11,145	(3,855)
Net Change in Fund Balance	$ (2,525)	1,329	$ 3,854
Fund Balance, Beginning of Year		772	
Fund Balance, End of Year		$ 2,101	

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
IMRF Fund
Year Ended May 31, 2026

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	$ 120,215	$ 120,202	$ (13)
Total Revenues	120,215	120,202	(13)
Expenditures			
IMRF Contributions	122,396	124,500	2,104
Total Expenditures	122,396	124,500	2,104
Net Change in Fund Balance	$ (2,181)	(4,298)	$ (2,117)
Fund Balance, Beginning of Year		18,928	
Fund Balance, End of Year		$ 14,630	

Frankfort Park District, Illinois
Illinois Grant Accountability and Tranparency Act
Consolidated Year-End Financial Report
for the Year Ended May 31, 2026

CSFA/ALN NUMBER	Program Name	State	Federal	Other	Total
420-00-1758	Site Improvements	$ 1,446,554	$ -	$ -	$ 1,446,554
	All Other Costs not Allocated	-	-	3,860,145	3,860,145
	Totals	$ 1,446,554	$ -	$ 3,860,145	$ 5,306,699

OTHER SUPPLEMENTAL SCHEDULES

Frankfort Park District, Illinois

Taxes Collected and Taxes Receivable - Last Ten Levy Years

Tax Levy Year	Extensions	Gross Taxes Collected: Prior Years	Gross Taxes Collected: Year Ended May 31, 2025	Gross Taxes Collected: Total May 31, 2025	Percent Collected	Gross Taxes Receivable	Provision for Loss and Cost on Collections	Net Taxes Receivable
2016	$ 1,653,290	$ 1,652,345	$ -	$ 1,652,345	99.94%	$ 7,209	$ 7,209	$ -
2017	1,709,761	1,706,352	-	1,706,352	99.80%	3,409	3,409	-
2018	1,768,671	1,765,452	-	1,765,452	99.82%	3,219	3,219	-
2019	1,833,193	1,828,881	-	1,828,881	99.76%	4,312	4,312	-
2020	1,891,750	1,890,686	-	1,890,686	99.94%	1,064	1,064	-
2021	1,951,248	1,946,879	-	1,946,879	99.78%	4,369	4,369	-
2022	2,065,990	2,060,140	-	2,060,140	99.72%	5,850	5,850	-
2023	2,187,454	2,182,356	-	2,182,356	99.77%	5,098	5,098	-
2024	2,295,431	57,737	2,237,441	2,295,178	99.99%	253	253	-
2025	2,403,631	-	164,064	164,064	6.83%	2,239,567	4,044	2,235,523
	$ 19,760,419	$ 15,090,828	$ 2,401,505	$ 17,492,333		$ 2,274,350	$ 38,827	$ 2,235,523

Add: Advance Collections 2024 Tax Levy	$ 57,737
Less: Advance Collections 2025 Tax Levy	164,064
Property Tax Revenues May 31, 2026	$ 2,295,178

Gross Taxes Collected By Fund	
Corporate	$ 1,609,119
Recreation	1,134
Special Recreation	350,400
Audit	12,474
Liability & Workmen's Compensation	86,183
IMRF	120,202
Debt Service	115,666
	$ 2,295,178

Net Taxes Receivable by Fund	
Corporate	$ 1,228,805
Recreation	419,372
Special Recreation	349,477
Audit	13,528
Liability & Workmen's Compensation	1,127
IMRF	117,244
Debt Service	105,970
	$ 2,235,523

Frankfort Park District, Illinois

Assessed Valuation and Extended Tax Rates - Last Ten Levy Years

Tax Levy Year	Assessed Valuations	Extended Tax Rates
2016	$ 728,996,762	0.2268
2017	755,562,054	0.2263
2018	777,811,354	0.2274
2019	802,655,039	0.2284
2020	830,474,050	0.2278
2021	865,713,752	0.2254
2022	940,828,059	0.2196
2023	1,016,506,618	0.2152
2024	1,134,138,069	0.2024
2025	1,212,150,239	0.1983

Analysis of the 2025 Tax Levy

Fund	Rate	Percent	Extension
Corporate	0.1090	54.97	$ 1,321,210
Recreation	0.0372	18.76	450,908
IMRF	0.0104	5.24	126,060
Audit	0.0012	0.61	14,545
Workmen's Compensation	0.0001	0.05	1,212
Special Recreation	0.0310	15.63	375,757
Debt Service	0.0094	4.74	113,939
	0.1983	100.00	$ 2,403,631

COMPLIANCE SECTION

HEARNE & ASSOCIATES, P.C.
Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (1928-2014) Founder
Phillip M. Hearne, CPA
John C. Williams, CPA, MST
Christopher Hanusiak, CPA - Sr. Accountant

Matthew R. Truschka, Account Mgr.
Haley A. Shroba - Sr. Accountant
David A. Phelan - Sr. Auditor

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Frankfort Park District, Illinois
Frankfort, IL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Frankfort Park District, as of and for the year ended May 31, 2026, and the related notes to the financial statements, which collectively comprise Frankfort Park District's basic financial statements, and have issued our report thereon dated October 22, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Frankfort Park District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Frankfort Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of Frankfort Park District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Frankfort Park District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hearne & Associates, P.C.

October 22, 2026
Mokena, IL

Hearne & Associates, P.C.
Certified Public Accountants