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BELVIDERE PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2025**

BELVIDERE PARK DISTRICT, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Belvidere Park District, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Belvidere Park District, Illinois, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Belvidere Park District, Illinois, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Belvidere Park District, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Belvidere Park District, Illinois' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the Illinois Municipal Retirement Fund (IMRF) schedules, budgetary comparison information, and notes on pages 41 through 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Belvidere Park District, Illinois' basic financial statements. The supplementary financial information on pages 48 through 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the financial information on pages 52 through 54 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Lucas Group CPAs + Advisors, PLLC

Rockford, Illinois
July 20, 2026

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025
(Unaudited)

This section of the Belvidere Park District's Annual Financial Report presents our discussion and analysis of the District's financial activities during the year ended December 31, 2025.

FINANCIAL HIGHLIGHTS

-Net position and performance in total – The District's total net position at December 31, 2025 was \$19,444,423.

-Governmental activity summary – Net position for governmental activities increased by \$1,191,374 during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements, which present different views of the District: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements provide both short and long-term information about the District's overall financial status.

Fund financial statements focus on individual parts of the District government, reporting District operation in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, the District has provided detail on the non-major fund and additional supplementary information.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

The following table summarizes the major features of the District's financial statements.

Description	GOVERNMENT- WIDE STATEMENTS	GOVERNMENTAL FUNDS STATEMENTS
Scope	Entire District government (except fiduciary funds)	Activities of the District that are not fiduciary such as culture and recreation
Required financial statements	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures and changes in fund balances
Accounting basis	Accrual	Modified accrual
Measurement focus	Economic resources	Current financial resources
Type of assets & liability information	All assets and liabilities; both financial and capital, short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter

Government-Wide Statements

The government-wide financial statements are designed to be corporate-like in that all governmental activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to disclose bottom line results for the District and its governmental activities.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities, which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services.

The governmental activities reflect the District's basic services, including administration, financial services, culture and recreation. Property taxes and charges/fees finance the majority of these services.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than fund types.

Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for District operations.

The Governmental Funds column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual), which is reflected on the page following each statement. The flow of current financial resources will reflect debt proceeds, proceeds from sales of capital asset disposals, and interfund transfers as other financial sources as well as capital outlay expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-Wide Statements.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE NET POSITION

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

Table 1
Statement of Net Position
As of December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024

	Governmental Activities	
	2025	2024
Current and other assets	\$ 13,312,099	11,519,983
Capital assets	16,586,194	16,521,604
Total assets	29,898,293	28,041,587
Deferred outflows of Resources		
Pension items - IMRF	315,949	648,620
Total assets and deferred outflows of resources	30,214,242	28,690,207
Current and other liabilities	315,906	270,737
Long-term liabilities	4,983,055	5,155,104
Total liabilities	5,298,961	5,425,841
Deferred inflows of resources		
Deferred gain on refunding	15,438	17,643
Property taxes	4,761,440	4,556,872
Pension items - IMRF	693,980	436,802
Total liabilities and deferred inflows of resources	10,769,819	10,437,158
Net position:		
Net investment in capital assets	11,826,713	11,470,264
Restricted	3,460,343	3,043,325
Unrestricted	4,157,367	3,739,460
Total net position	\$ 19,444,423	18,253,049

For more detailed information see the Statement of Net Position.

Current Year Impacts-Net Position

Overall, the District's net position increased by \$1,191,374 during the year to a total of \$19,444,423. Also, current assets are \$8,234,753 higher than current liabilities and deferred inflows of resources for property taxes.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

Capital assets net of depreciation increased by \$64,590. Long-term debt decreased by \$172,049 due to payments on the general obligation park bonds and alternate revenue bonds.

The total net position at December 31, 2025 was \$19,444,423. Approximately 61% of this amount is the investment in capital assets, net of the related debt. \$3,460,343 or approximately 18% is restricted for debt service and special revenue funds, which leaves approximately 21% or \$4,157,367 available for any purpose.

Statement of Changes in Net Position

The following chart reflects the condensed Statement of Changes in Net Position.

Table 2
Changes in Net Position
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024

	Governmental Activities	
	2025	2024
REVENUES		
Program revenues:		
Charges for services	\$ 1,099,912	1,088,252
Capital grants and contributions	341,083	18,600
Operating grants and contributions	54,037	129,989
General revenues:		
Property taxes	4,551,937	4,364,289
Other taxes	137,208	160,681
Interest	172,164	208,201
Other	322,429	86,262
Total revenues	6,678,770	6,056,274
EXPENSES		
Culture & recreation:		
Personnel	2,732,979	2,774,705
Contractual services	1,045,129	1,177,505
Material & supplies	603,103	462,736
Depreciation	1,008,525	983,563
Interest on long-term debt	97,660	113,432
Total expenses	5,487,396	5,511,941
Changes in net position	1,191,374	544,333
Beginning net position	18,253,049	17,741,944
Prior period adjustment	-	(33,228)
Beginning net position, restated	18,253,049	17,708,716
Ending net position	\$ 19,444,423	18,253,049

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

Current Year Impacts-Changes in Net Position

Governmental Activities

Revenues:

Revenues from governmental activities total \$6,678,770 or an increase of \$622,496. Property tax was the largest source of revenues for the year at \$4,551,937. The next highest source of revenue was \$1,099,912 from charges and fees. The revenues from these two sources represent approximately 85% of the governmental activity revenues.

Expenses:

The District's total governmental activity expenses were \$5,487,396, a decrease of \$24,545 or less than 1.0%. Personnel costs including employee benefits were \$2,732,979. Personnel costs were 50% of the total expenses. Contractual services were \$1,045,129 or 19%, material and supplies were \$603,103 or 11%, and interest was \$97,660 or approximately 2% of the total expenses. Depreciation expense was \$1,008,525 or 18% of total expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At December 31, 2025, the governmental funds reported a combined net fund balance of \$6,966,239, an increase of \$634,140 in all major and non-major funds from the prior year. This increase is primarily attributable to an increase in property taxes and an increase charges & fees in the recreation and special recreation funds.

Major Fund Budgetary Highlights

General Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 1,732,841	1,745,499	84
Intergovernmental	130,500	173,714	8
Charges & fees	30,000	33,340	2
Donations	20,500	18,996	1
Interest & other	19,354	115,685	6
Total revenues	1,933,195	2,087,234	100
Expenditures			
Personnel	1,182,487	978,202	50
Contractual services	579,550	769,697	39
Material & supplies	203,858	209,737	11
Capital outlay	7,300	8,522	0
Total expenditures	1,973,195	1,966,158	100
Excess of Revenue over (under) expenditures	(40,000)	121,076	
Other financing sources (uses)			
Subscription liability proceeds	-	170,361	
Lease proceeds	40,000	96,565	
Total other financing sources (uses)	40,000	266,926	
Change in fund balance	\$ -	388,002	

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

Recreation Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 1,001,949	1,000,862	53
Charges & fees	806,304	828,505	44
Donations	65,214	4,650	0
Interest & other	88,590	52,866	3
Total revenues	1,962,057	1,886,883	100
Expenditures			
Personnel	1,413,924	1,286,276	76
Contractual services	397,365	317,052	19
Material & supplies	150,768	96,086	6
Capital outlay	-	-	0
Total expenditures	1,962,057	1,699,414	100
Change in fund balance	\$ -	187,469	

Special Recreation Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 342,205	341,910	55
Charges & fees	224,916	236,779	38
Donations	5,227	14,295	2
Interest & other	15,750	28,541	5
Total revenues	588,098	621,525	100
Expenditures			
Personnel	463,113	476,679	82
Contractual services	42,508	38,223	7
Material & supplies	82,477	67,821	12
Total expenditures	588,098	582,723	100
Change in fund balance	\$ -	38,802	

Bond & Interest Fund	Final Budget	Actual	Total
Revenues			
Taxes	\$ 1,332,934	1,344,892	99
Interest & other	1,500	8,242	1
Total revenues	1,334,434	1,353,134	100
Expenditures			
Debt service:			
Principal	1,284,000	1,284,000	96
Interest	48,934	48,934	4
Total expenditures	1,332,934	1,332,934	100
Change in fund balance	\$ 1,500	20,200	

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

Alternate Bond & Interest Fund	Original & Final Budget	Actual	% of Total
Revenues			
Interest & other	\$ 62,300	508	100
Total revenues	62,300	508	100
Expenditures			
Debt service:			
Principal	433,800	365,000	74
Interest	61,500	130,300	26
Total expenditures	495,300	495,300	100
Excess of Revenue over (under) expenditures	(433,000)	(494,792)	
Other financing sources (uses)			
GO bond proceeds	433,800	500,300	
Total other financing sources (uses)	433,800	500,300	
Change in fund balance	\$ 800	5,508	

Capital Projects Fund	Original & Final Budget	Actual	% of Total
Revenues			
Donations & grants	\$ 1,604,000	101,262	44
Interest & other	59,600	130,185	56
Total revenues	1,663,600	231,447	100
Expenditures			
Contractual services	-	-	0
Capital outlay	2,473,800	1,138,468	100
Total expenditures	2,473,800	1,138,468	100
Excess of Revenue over (under) expenditures	(810,200)	(907,021)	
Other financing sources (uses)			
Proceeds from sale of capital assets	-	57,500	
GO Bond proceeds	810,200	834,700	
Total other financing sources (uses)	810,200	892,200	
Change in fund balance	\$ -	(14,821)	

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2025, the District's Governmental Funds had invested \$35,605,584 in a variety of capital assets, as reflected in the following schedule. See Notes to Financial Statements #4 for more detail. The District's roads and bridges are contained within the parks and as such have been recorded as land improvements rather than infrastructure assets.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

Table 3
Governmental Funds
Change in Net Capital Assets

	Beginning Balance	Net Additions /Deletions	Total
Non-depreciable assets			
Land	\$ 4,991,547	-	4,991,547
Construction in progress	6,250	49,483	55,733
	<u>4,997,797</u>	<u>49,483</u>	<u>5,047,280</u>
Depreciable capital assets			
Land improvements	17,534,076	464,498	17,998,574
Building & building improvements	10,522,303	125,946	10,648,249
Equipment, software, & vehicles	1,598,077	313,404	1,911,481
Total capital assets being depreciated	<u>29,654,456</u>	<u>903,848</u>	<u>30,558,304</u>
Accumulated depreciation on capital assets	(18,130,649)	(888,741)	(19,019,390)
Total net capital assets	\$ 16,521,604	64,590	16,586,194

Long-term Debt and Liabilities

At December 31, 2025, the District owed \$4,983,055 in long-term liabilities. These liabilities consisted of \$1,335,000 in general obligation bonds, \$3,075,000 in general obligation refunding alternate revenue bonds, \$95,427 in financing obligations, \$132,948 in subscription-based information technology agreements (SBITAs), \$254,054 in unamortized bond premium, and \$90,626 in compensated absences. During the year ended December 31, 2025, the District issued \$1,691,533 in new debt and retired \$1,863,582 on the outstanding debt. Overall, long-term debt decreased by \$172,049. See Notes to Financial Statement #5 for more details.

The aggregate indebtedness of the District is subject to a statutory limitation established by the State of Illinois at 2.875% of its equalized assessed value. At December 31, 2025, the District's aggregate indebtedness was \$22,554,102 less than the statutory limit of \$26,604,348. Also, the State statutes allow the District to issue general obligation bonds without submitting the proposition of the issue in a referendum. This limit is 0.575% of the equalized assessed value. At December 31, 2025, the District's general obligation debt was \$4,345,624 below this limit.

ECONOMIC FACTORS

In 2026, the Belvidere Park District expects the total assessed value of local properties to increase by about \$96.3 million. This is mostly due to higher home sale prices, fewer foreclosures, and new construction. The value of property in the District has been rising overall. However, even though property values are going up, the amount of property tax the District can collect is limited by state tax cap laws. These laws only allow the District to increase tax revenues by the rate of inflation or 5%, whichever is lower—plus any taxes from newly built properties. Under a state law (Public Act 94-976), the District is allowed to collect additional taxes on certain capped funds.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2025
(Unaudited)

The District expects its labor costs to go up in 2026. This is due to several factors, including regular annual pay raises, the number of staff needed to run programs and maintain facilities, the challenge of hiring and keeping staff in today's job market, and overall increases in the cost of living. A recent compensation study continues to ensure employee pay remains competitive while still using taxpayer money responsibly.

Rising prices for goods and supplies due to inflation are also affecting the District's daily operations.

In 2026, the District expects to collect about \$1.4 million in property taxes for its Bond and Interest Fund, which is an increase from previous years. This fund is also impacted by rising interest rates on the District's bonds.

The Recreation Fund is doing well, thanks to strong enrollment in after-school childcare programs and more participants in sports programs. The District also diversified its revenue source by now accepting Child Care Assistance Funding from the State of Illinois for childcare programs. Additionally, the District created a financial assistance scholarship to reduce barriers to recreation and provide a sliding scale for youth and people with disabilities to participate in programs.

The Special Recreation Fund is capped at a tax rate of 0.04%. The District is not maxed out at the cap tax rate in this fund. In 2026, this fund will receive about \$48,000 more than last year.

The District is utilizing a \$150,000 federal grant for tree maintenance through the Urban and Community Forestry Program. These funds will be paid as reimbursements between 2024 and 2026. The District also received notification of award between 2023-2026 for nearly \$1.5 million in state funds through the Rebuild Illinois program. This money will be used in 2026 to improve five projects: Kiddieland Playground (\$75,000), Aberdeen Playground (\$150,000), the Riverside Ice Arena (\$750,000), Riverside Ice Arena & Rivers Edge (\$600,000), and Aberdeen Lights (\$25,000).

The District continues to be guided in its long-term planning process through a master plan, which will help guide future development and improvements across programs, parks and facilities. Additionally, the District completed an ADA audit for accessibility.

After being idled for several years, the Stellantis plant is planning to reopen fully in 2027/8. It is currently partially staffed and operating. Numerous new manufacturing businesses and suppliers are also setting up in the area, which is expected to boost the local economy and increase the District's tax base in the coming years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Jennifer Jacky, Executive Director, Belvidere Park District, 1006 W. Lincoln Ave., Belvidere, IL 61008.

BELVIDERE PARK DISTRICT, ILLINOIS
Statement of Net Position
December 31, 2025

	Governmental Activities <u>2025</u>
Assets:	
Cash and cash equivalents	\$ 7,176,993
Taxes receivable	4,761,440
Other receivables	50
Grants receivable	220,825
Due from other governments	22,147
Prepaid expenses	31,705
Capital assets:	
Non-depreciable	5,047,280
Depreciable, net of accumulated depreciation	11,442,349
Right-of-use leased assets	96,565
SBITA right-of-use asset	132,948
Net pension asset - IMRF	965,991
Total assets	<u>29,898,293</u>
Deferred Outflows of Resources:	
Pension items - IMRF	315,949
Total assets and deferred outflows of resources	<u>30,214,242</u>
Liabilities:	
Accounts payable	190,044
Accrued wages	43,479
Unearned revenue	31,133
Accrued interest payable	51,250
Noncurrent liabilities:	
Due within one year	1,865,182
Due in more than one year	3,117,873
Total liabilities	<u>5,298,961</u>
Deferred Inflows of Resources:	
Deferred gain on refunding	15,438
Property taxes	4,761,440
Pension items - IMRF	693,980
Total liabilities and deferred inflows of resources	<u>10,769,819</u>
Net Position:	
Net investment in capital assets	11,826,713
Restricted for:	
Debt service	359,754
Special revenue funds	3,100,589
Unrestricted	4,157,367
Total net position	<u>\$ 19,444,423</u>

The notes to the financial statements are an integral part of this statement.

BELVIDERE PARK DISTRICT, ILLINOIS
Statement of Activities
For the Year Ended December 31, 2025

	Governmental Activities
	<u>2025</u>
Program expenses:	
Culture & recreation:	
Personnel	\$ 2,732,979
Contractual services	1,045,129
Material & supplies	603,103
Depreciation	<u>1,008,525</u>
Total culture & recreation	5,389,736
 Interest on long-term debt	 <u>97,660</u>
 Total program expenses	 <u>5,487,396</u>
 Program revenues:	
Charges for services	1,099,912
Capital grants and contributions	341,083
Operating grants and contributions	<u>54,037</u>
Total program revenues	<u>1,495,032</u>
 Net program expense	 <u>3,992,364</u>
 General revenues:	
Property taxes	4,551,937
Corporate replacement taxes	137,208
Interest	172,164
Other	<u>322,429</u>
Total general revenues	<u>5,183,738</u>
 Change in net position	 1,191,374
 Net position:	
Beginning net position	<u>18,253,049</u>
 Ending	 \$ <u><u>19,444,423</u></u>

The notes to the financial statements are an integral part of this statement.

BELVIDERE PARK DISTRICT, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2025

	Debt Service Funds							
	General	Recreation	Special	Bond &	Alternate	Capital	Nonmajor	Total
	Fund	Fund	Recreation	Interest	Bond &	Projects	Governmental	Governmental
			Fund	Fund	Interest	Fund	Museum	Funds
					Fund		Fund	
Assets:								
Cash & cash equivalents	\$ 3,136,283	1,015,450	408,309	340,837	18,917	1,809,416	447,781	7,176,993
Receivables								
Property taxes	1,814,872	1,040,721	390,000	1,392,341	-	-	123,506	4,761,440
Grants	-	-	-	-	-	220,825	-	220,825
Other	-	50	-	-	-	-	-	50
Prepaid expenses	31,705	-	-	-	-	-	-	31,705
Due from other governments	22,147	-	-	-	-	-	-	22,147
Total assets	<u>5,005,007</u>	<u>2,056,221</u>	<u>798,309</u>	<u>1,733,178</u>	<u>18,917</u>	<u>2,030,241</u>	<u>571,287</u>	<u>12,213,160</u>
Liabilities:								
Accounts payable	36,178	22,686	2,430	-	-	124,885	3,865	190,044
Accrued wages	12,392	24,875	6,212	-	-	-	-	43,479
Unearned revenue	983	-	-	-	-	30,150	-	31,133
Total liabilities	<u>49,553</u>	<u>47,561</u>	<u>8,642</u>	<u>-</u>	<u>-</u>	<u>155,035</u>	<u>3,865</u>	<u>264,656</u>
Deferred Inflows of Resources:								
Unearned revenue	-	-	-	-	-	220,825	-	220,825
Property taxes	1,814,872	1,040,721	390,000	1,392,341	-	-	123,506	4,761,440
Total liabilities and deferred inflows of resources	<u>1,864,425</u>	<u>1,088,282</u>	<u>398,642</u>	<u>1,392,341</u>	<u>-</u>	<u>375,860</u>	<u>127,371</u>	<u>5,246,921</u>
Fund balances:								
Nonspendable:								
Prepaid items	31,705	-	-	-	-	-	-	31,705
Restricted								
Recreation purposes	-	967,939	-	-	-	-	-	967,939
Special recreation	-	-	399,667	-	-	-	-	399,667
Museum purposes	-	-	-	-	-	-	443,916	443,916
IMRF	440,487	-	-	-	-	-	-	440,487
Social Security	499,808	-	-	-	-	-	-	499,808
Liability Insurance	300,054	-	-	-	-	-	-	300,054
Audit purposes	-	-	-	-	-	-	-	-
Working cash	48,718	-	-	-	-	-	-	48,718
Debt service	-	-	-	340,837	18,917	-	-	359,754
Committed								
Capital Projects	-	-	-	-	-	1,654,381	-	1,654,381
Unassigned	1,819,810	-	-	-	-	-	-	1,819,810
Total fund balances	<u>3,140,582</u>	<u>967,939</u>	<u>399,667</u>	<u>340,837</u>	<u>18,917</u>	<u>1,654,381</u>	<u>443,916</u>	<u>6,966,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,005,007</u>	<u>2,056,221</u>	<u>798,309</u>	<u>1,733,178</u>	<u>18,917</u>	<u>2,030,241</u>	<u>571,287</u>	<u>12,213,160</u>

The notes to the financial statements are an integral part of this statement.

BELVIDERE PARK DISTRICT, ILLINOIS
**Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position**

December 31, 2025

Fund balances of Governmental Funds	\$	6,966,239
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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	\$ 35,605,584	
Accumulated depreciation	<u>(19,019,390)</u>	16,586,194

Certain assets are not financial resources and therefore, are not
reported in the funds

Net pension asset	965,991	
SBITA right-of-use asset	<u>132,948</u>	1,098,939

Certain unavailable revenues related to long-term receivables on the
fund financial statements are considered earned on the statement of
activities

220,825

Long-term liabilities, including bonds payable, are not due and
payable in the current period and therefore are not reported in
the funds.

GO Bonds	(1,335,000)	
GO Refunding Alternate Revenue Bonds	(3,075,000)	
SBITA liability	(132,948)	
Lease obligation	(95,427)	
Unamortized bond premium	(254,054)	
Compensated absences	(90,626)	
Accrued interest payable on long-term liabilities	<u>(51,250)</u>	(5,034,305)

Certain deferred outflows and inflows of resources are not due and
payable in the current period and therefore are not reported in
the funds.

(15,438)

Differences between expected and actual experiences, assumption
changes, net differences between projected and actual earnings,
and contributions subsequent to the measurement date for the
Illinois Municipal Retirement Fund are recognized as deferred
outflows and inflows of resources on the statement of net position.

(378,031)

Net position of governmental activities	\$	<u><u>19,444,423</u></u>
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The notes to the financial statements are an integral part of this statement.

BELVIDERE PARK DISTRICT, ILLINOIS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

				Debt Service Funds				
	General Fund	Recreation Fund	Special Recreation Fund	Bond & Interest Fund	Alternate Bond & Interest Fund	Capital Projects Fund	Nonmajor Governmental Museum Fund	Total Governmental Funds
Revenues:								
Property taxes	\$ 1,745,499	1,000,862	341,910	1,344,892	-	-	118,774	4,551,937
Corporate replacement taxes	173,714	-	-	-	-	-	-	173,714
Charges & fees	33,340	828,505	236,779	-	-	-	1,288	1,099,912
Donations & grants	18,996	4,650	14,295	-	-	101,262	-	139,203
Interest	75,093	23,509	9,817	8,242	508	43,786	11,209	172,164
Other	40,592	29,357	18,724	-	-	86,399	3,860	178,932
Total revenues	<u>2,087,234</u>	<u>1,886,883</u>	<u>621,525</u>	<u>1,353,134</u>	<u>508</u>	<u>231,447</u>	<u>135,131</u>	<u>6,315,862</u>
Expenditures:								
Current:								
Culture & recreation:								
Personnel	978,202	1,286,276	476,679	-	-	-	-	2,741,157
Contractual services	769,697	317,052	38,223	-	-	-	17,860	1,142,832
Material & supplies	209,737	96,086	67,821	-	-	-	5,691	379,335
Capital outlay	8,522	-	-	-	-	1,138,468	102,600	1,249,590
Debt service:								
Principal	-	-	-	1,284,000	365,000	-	-	1,649,000
Interest	-	-	-	48,934	130,300	-	-	179,234
Total expenditures	<u>1,966,158</u>	<u>1,699,414</u>	<u>582,723</u>	<u>1,332,934</u>	<u>495,300</u>	<u>1,138,468</u>	<u>126,151</u>	<u>7,341,148</u>
Excess of revenues over (under) expenditures	<u>121,076</u>	<u>187,469</u>	<u>38,802</u>	<u>20,200</u>	<u>(494,792)</u>	<u>(907,021)</u>	<u>8,980</u>	<u>(1,025,286)</u>
Other financing sources (uses):								
Subscription liability proceeds	170,361	-	-	-	-	-	-	170,361
Lease proceeds	96,565	-	-	-	-	-	-	96,565
Proceeds from sale of capital assets	-	-	-	-	-	57,500	-	57,500
GO bond proceeds	-	-	-	-	500,300	834,700	-	1,335,000
Total other financing sources	<u>266,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,300</u>	<u>892,200</u>	<u>-</u>	<u>1,659,426</u>
Net change in fund balances	<u>388,002</u>	<u>187,469</u>	<u>38,802</u>	<u>20,200</u>	<u>5,508</u>	<u>(14,821)</u>	<u>8,980</u>	<u>634,140</u>
Fund balances:								
Beginning	<u>2,752,580</u>	<u>780,470</u>	<u>360,865</u>	<u>320,637</u>	<u>13,409</u>	<u>1,669,202</u>	<u>434,936</u>	<u>6,332,099</u>
Ending	<u>\$ 3,140,582</u>	<u>967,939</u>	<u>399,667</u>	<u>340,837</u>	<u>18,917</u>	<u>1,654,381</u>	<u>443,916</u>	<u>6,966,239</u>

The notes to the financial statements are an integral part of this statement.

BELVIDERE PARK DISTRICT, ILLINOIS
**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Governmental Activities in the Statement of Activities**
For the Year Ended December 31, 2025

Net Change in Fund Balances - total governmental funds **\$ 634,140**

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

Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities:

Capital asset purchases capitalized	\$ 1,121,187	
Depreciation expense	(1,008,525)	
Proceeds received on sale of capital assets	(57,500)	
Gain or (loss) on disposal of capital assets	<u>9,428</u>	64,590

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (36,506)

Certain revenues are reported as unavailable in the fund financial statements but are accrued and reported as revenue on the statement of activities. 220,825

The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities.

GO bonds	1,284,000	
Alternate revenue bonds	365,000	
Lease obligation	<u>1,138</u>	1,650,138

The issuance of long-term debt is reported as an other financing source in the governmental funds but as an increase in outstanding principal in the statement of activities.

Bond issue proceeds	(1,335,000)	
Lease obligation	<u>(96,565)</u>	(1,431,565)

The change in the net pension asset for the Illinois Municipal Retirement Fund is reported only in the statement of activities. 617,513

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities. (589,849)

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

Change in compensated absences payable	(19,486)	
Change in accrued interest expense	6,083	
Change in deferred charge on refunding	2,205	
Amortization of bond premium	<u>73,286</u>	62,088

Change in net position of governmental activities **\$ 1,191,374**

The notes to the financial statements are an integral part of this statement.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Belvidere Park District, Illinois (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

- A. The District was organized in 1919. The District operates under the Submerged Lands Statute of 1895 to acquire, develop and manage park and recreation lands and facilities. The District is a separate, autonomous, special purpose-taxing district governed by a five member elected Board of Commissioners. The District is not financially accountable for any component units or other entities.

B. Financial Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is a primary government unit and has determined that there are no component units required to be included in the financial statements.

C. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: government and fiduciary. Each category, in turn, is divided into separate fund types.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets, the servicing of long-term debt and the management of funds held in trust that can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degrees to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fiduciary funds are presented for certain activities when the District's role is that of trust or agent. While fiduciary funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government.

Major individual governmental funds are reported as separate columns in the fund financial statements. The District reports the following major governmental funds:

The General Fund accounts for all financial resources except those required to be accounted for in another fund. Generally, this fund is used to record the revenues and expenditures in connection with the general administration and maintenance activities.

The Recreation Fund accounts for the proceeds of specific revenue sources that are legally restricted or intended for specified purposes.

The Special Recreation Fund accounts for the proceeds of specific revenue sources that are legally restricted or intended for specified purposes.

The Bond & Interest Fund accounts for the accumulation of legally restricted resources for, and payment of, long-term debt principal, interest and related costs.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Government-Wide and Fund Financial Statements (Continued)

The Alternate Bond and Interest Fund accounts for the accumulation of legally restricted resources for, and payment of, long-term debt principal, interest and related costs.

The Capital Projects Fund accounts for major capital expenditures.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants, contributions and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes and interest revenue. Charges and fees revenues are not susceptible to accrual because generally they are not measurable until received in cash. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines.

Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met. The District reports deferred inflows of resources on its financial statements for property taxes, levied in the current year to finance the subsequent year's budget, since they do not meet both the "measurable" and "available" criteria for recognition in the current period.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Unearned revenue may arise when resources are received by the District before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures, and therefore do not meet the “earned” criteria for revenue recognition in the current period. In subsequent periods, when the revenue recognition criteria is met, or when the government has a legal claim to the resources, the deferred inflows of resources or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

F. Cash and Cash Equivalents

The District considers all cash on hand, demand deposits and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents.

G. Investments

Investments with a maturity of one year or less and all non-negotiable certificates of deposits are recorded at cost or amortized cost. All other investments are recorded at fair value. Fair value is determined based primarily on the basis of quoted market prices.

H. Prepaid Expenses

If there are certain payments to vendors that reflect costs applicable to future accounting periods, they are recorded as prepaid items in both government-wide and fund financial statements.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Property Taxes

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by the District Board. Property taxes are recognized as a receivable at the time they are levied. Revenue from property taxes is recognized as the taxes are collected in the year intended to finance or when they become available to be used to pay liabilities of the current period, generally considered to be within sixty days after year end. Revenue from those taxes which are not considered available is reported as a deferred inflow of resources.

The property tax calendar for the 2024 tax levy, for which the District records as revenue in the current fiscal year, was as follows:

Lien Date	January 1, 2024
Levy Date	December 10, 2024
First Installment due	June 2, 2025
Second Installment due	September 2, 2025

Tax bills were mailed at least 30 days prior to the first installment due date. Property taxes are billed and collected by the County Treasurer of Boone County, Illinois. The 2025 tax levy, which attached as an enforceable lien on property as of January 1, 2025, has been recorded as a receivable and as a deferred inflow of resources as of December 31, 2025 as the tax had been levied by the District but would not be extended or collected until calendar year 2026.

The District's 2024 tax rates per \$100 of assessed valuation together with the related maximum tax rates are as follows:

Type of Levy	Rate Per \$100 of Assessed Valuation	
	Rate	Legal Maximum
District		
General & SB 508	0.14482	0.35000
Bond & Interest	0.14550	none
IMRF	0.01092	none
Audit	0.00188	0.00500
Liability Insurance	0.01243	none
Social Security	0.01879	none
Museum	0.01285	0.07000
Recreation	0.10828	0.37000
Joint Handicap Recreation	0.03699	0.04000
Total District	0.49246	

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets

Capital assets, which include property, plant, equipment and vehicles, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Land Improvements	10-15
Building & Improvements	10-39
Equipment, Software, & Vehicles	5-10

L. Compensated Absences

Employees earn vacation and sick leave based upon their length of service. Such pay is expensed when paid by the District. In the event of termination, an employee is paid for accumulated vacation days. Unused sick leave is not paid upon termination or resignation. The total liability for these compensated absences will be payable from future resources and is accounted for in the government-wide financial statements.

M. Fund Equity/Net Position

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity/Net Position (Continued)

Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or law or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. The District reports restricted fund balance amounts for the debt service fund and special revenue funds imposed by tax levies. The general fund also reports certain restrictions imposed by tax levies.

Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the District's Board of Commissioners, and it takes an ordinance, resolution, or formal vote of approval to establish, modify, or rescind a fund balance commitment. Capital projects fund balances are reported as committed based on the Budget & Appropriation Ordinance.

Amounts intended to be used for specific purposes are assigned. Assignments should not cause deficits in the unassigned fund balance. The District did not have any assigned fund balances at the end of the year.

Unassigned fund balance is the residual classification for the general fund and is used for any deficit fund balances.

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, and then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, the District uses committed resources first, then assigned resources, and then unassigned resources as they are needed.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. All other net position that does not meet the definition of "restricted" or "net investment in capital assets" is classified as unrestricted net position.

N. Estimates

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

2. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires deposits to be secured by collateral at least equal to 102% of the deposit principal and any accrued interest less the amount of the Federal Deposit Insurance Corporation's insurance.

Deposits of the District are insured or collateralized with securities held by the Federal Reserve Bank, by another custodial bank, or by an escrow agent of the pledging institution. At December 31, 2025, the District's cash was held by local banks in demand deposit accounts with a combined book balance of \$7,176,993 and bank balances of \$7,394,301. The primary difference between book and bank balances was due to outstanding checks. Of the total bank balance, \$6,894,301 exceeded FDIC insurance limits and were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateralized by securities held by the pledging financial institution	6,894,301
	<u>\$ 6,894,301</u>

Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with the investment policies adopted by the Board of Commissioners. District funds may be invested in 1) direct obligations of the United States government, its agencies to the payment of which the full faith and credit of the government of the United States is pledged; 2) obligations of the Government National Mortgage Association, Federal National Mortgage Association, Federal Home Loans Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; 3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings banks, savings and loan associations, and credit unions in the State of Illinois; or 4) money market mutual funds.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy does not specifically address this risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not specifically address the risks attributable to the concentration of credit risk.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

3. POOLED CASH

The District maintains a pooled checking account to maximize interest earnings. The following is a listing of each funds' share of the pooled accounts:

	Cash
General	\$ 3,136,283
Special Revenues Funds	
Recreation	1,015,450
Museum	447,781
Special Recreation	408,309
Total Special Revenue Funds	1,871,540
Debt Service Funds	
Alternate Bond & Interest	18,917
Bond and Interest	340,837
Total Debt Service Funds	359,754
Capital Projects Fund	1,809,416
Total Pooled Cash	\$ 7,176,993

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,991,547	-	-	4,991,547
Construction in progress	6,250	55,733	(6,250)	55,733
	4,997,797	55,733	(6,250)	5,047,280
Capital assets being depreciated:				
Land improvements	17,534,076	541,254	(76,756)	17,998,574
Building & building improvements	10,522,303	125,946	-	10,648,249
Equipment & software	869,139	152,216	(84,850)	936,505
Vehicles	728,938	149,473	-	878,411
Leased equipment	-	96,565	-	96,565
Total capital assets being depreciated	29,654,456	1,065,454	(161,606)	30,558,304
Less accumulated depreciation for:				
Land improvements	11,983,139	593,606	(76,756)	12,499,989
Building & building improvements	5,207,234	284,494	-	5,491,728
Equipment & software	525,552	71,049	(43,028)	553,573
Vehicles	414,724	59,376	-	474,100
Less accumulated amortization for:				
Leased equipment	-	-	-	-
Total accumulated depreciation & amortization	18,130,649	1,008,525	(119,784)	19,019,390
Total capital assets being depreciated, net	11,523,807	56,929	(41,822)	11,538,914
Governmental activities capital assets, net	\$ 16,521,604	112,662	(48,072)	16,586,194

All depreciation expense of governmental activities capital assets was for culture and recreation purposes.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

5. LONG-TERM DEBT

The outstanding debt as of December 31, 2025 consists of the following individual amounts:

	<u>Balances 12/31/2025</u>	<u>Current Portion</u>
G.O. Refunding Park Bonds Alternate Revenue Source, series 2020; Principal due Feb. 1, 2022 through 2032; Interest due Feb. 1 and Aug. 1; interest rate of 4.0%	\$ 3,075,000	385,000
G.O. Park Bonds, series 2025 issued for Debt Service and capital projects; Principal and interest due Dec. 1, 2026; interest rate of 3.16%	1,335,000	1,335,000
SBITA liabilities	132,948	73,603
Unamortized bond premium	254,054	-
Compensated absences	<u>90,626</u>	<u>71,579</u>
Total outstanding debt	\$ <u>4,887,628</u>	<u>1,865,182</u>

The annual requirements to amortize each outstanding long-term debt at year-end consist of the following:

Year Ending December 31,	Park Bond Series 2025		GO Refunding Park Bonds (Alt. Rev.) Series 2020		SBITA Liabilities		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	1,335,000	42,186	385,000	115,300	73,603	4,238	1,793,603	161,724
2027	-	-	400,000	99,600	59,345	1,303	459,345	100,903
2028	-	-	420,000	83,200	-	-	420,000	83,200
2029	-	-	440,000	66,000	-	-	440,000	66,000
2030	-	-	455,000	48,100	-	-	455,000	48,100
2031-2032	-	-	975,000	39,500	-	-	975,000	39,500
Total	<u>\$ 1,335,000</u>	<u>42,186</u>	<u>3,075,000</u>	<u>451,700</u>	<u>132,948</u>	<u>5,541</u>	<u>4,542,948</u>	<u>499,427</u>
Unamortized bond premium							254,054	
Compensated absences							90,626	
							<u>4,887,628</u>	

Compensated absences of \$71,579 are expected to be used/paid during 2026. Compensated absences are paid by the General, Recreation, or Special Recreation Funds. The G.O. Refunding Bonds (Alt. Rev. source) Series 2020 will be paid from the Alternate Bond and Interest Fund (Debt Service).

The G.O. Bonds Series 2025 will be paid from the Bond and Interest Fund (Debt Service). The subscription-based information technology agreement (SBITA) liabilities will be paid from the General Fund.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

5. LONG-TERM DEBT (Continued)

Long-term liability activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	New Issues	Retired	Ending Balance
G.O. Bond, Series 2025	\$ -	1,335,000	-	1,335,000
G.O. Bond, Series 2024	1,284,000	-	1,284,000	-
G.O. Refunding Bond, Series 2020	3,440,000	-	365,000	3,075,000
SBITA liabilities	32,624	170,361	70,037	132,948
Unamortized bond premium	327,340	-	73,286	254,054
Compensated absences	71,140	89,607	70,121	90,626
	<u>\$ 5,155,104</u>	<u>1,594,968</u>	<u>1,862,444</u>	<u>4,887,628</u>

Legal Debt Margin

The District's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 2.875% of its equalized assessed value of \$925,368,616. At December 31, 2025, the statutory limit for the District was \$26,604,348. The District's outstanding debt, net of assets available for bond retirements, was \$4,050,246 leaving a legal debt margin of \$22,554,102.

Non-Referendum General Obligation Bond Limit

The District may issue general obligation bonds without submitting the proposition of the issue in a referendum as long as the aggregate outstanding unpaid balance of bonds and notes does not exceed 0.575% of total assessed value of the District. At December 31, 2025, the statutory limit on non-referendum general obligation bonds was \$5,320,870. The District's outstanding debt for general obligation bonds, net of assets available for bond retirements, was \$975,246 leaving a legal debt margin of \$4,345,624.

6. LEASES

In 2025, the District entered into a 63-month lease agreement for copy equipment. The lease terminates in February 2031. Under the terms of the lease, the District makes monthly payments of \$1,692.88. At December 31, 2025, the District recognized a right-of-use asset of \$96,565 and a lease liability of \$95,427 related to this agreement. The District used an incremental discount rate of 3.69% based on the US Treasury daily rate at the lease commencement date.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

6. LEASES (Continued)

Remaining obligations associated with this lease is as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 17,080	\$ 3,235	\$ 20,315
2027	17,722	2,593	20,315
2028	18,386	1,928	20,314
2029	19,076	1,238	20,314
2030	19,793	522	20,315
2031	3,370	16	3,386
Total	<u>\$ 95,427</u>	<u>\$ 9,532</u>	<u>\$ 104,959</u>

The District amortized the right-of-use assets as follows during the year:

	Balance at 12/31/2024	Additions	Deletions	Balance at 12/31/2025
Right-to-use assets				
Copy equipment	\$ -	\$ 96,565	\$ -	\$ 96,565
Total	<u>\$ -</u>	<u>\$ 96,565</u>	<u>\$ -</u>	<u>\$ 96,565</u>

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)

In 2023, the District signed a 3-year subscription-based information technology agreement (SBITA) with Tyler Technologies applicable from May 2024 through May 2026. In 2025, the District signed a 3-year SBITA with ExcalTech applicable from January 2025 through December 2027. Under the terms of the agreements, the District makes variable lease payments depending on the subscriptions used during each period. At December 31, 2025, the District recognized right-to-use subscription assets and subscription liabilities of \$132,948 each related to these agreements. During the year ended December 31, 2025, the District recorded \$70,037 in amortization expense for the right to use the SBITA. The District used incremental discount rates of 3.58% and 4.03%, respectively, based on the US Treasury daily rates at the agreement commencement dates. Remaining obligations associated with the subscription liabilities are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 73,603	\$ 4,238	\$ 77,841
2027	59,345	1,303	60,648
Total	<u>\$ 132,948</u>	<u>\$ 5,541</u>	<u>\$ 138,489</u>

The District amortized the right-to-use asset as follows during the year:

	Balance at 12/31/2024	Additions	Deletions	Balance at 12/31/2025
SBITA right-to-use assets				
Tyler Technologies	\$ 32,624	\$ -	\$ (16,025)	\$ 16,599
ExcalTech	-	170,361	(54,012)	116,349
Total	<u>\$ 32,624</u>	<u>\$ 170,361</u>	<u>\$ (70,037)</u>	<u>\$ 132,948</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

8. EMPLOYEE RETIREMENT SYSTEM

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available 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 District's defined benefit pension plan has two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48.

Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% 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.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

8. EMPLOYEE RETIREMENT SYSTEM (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	24
Inactive Plan Members entitled to but not yet receiving benefits	87
Active Plan Members	30
Total	<u>141</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2025 was 2.45%. For the year ended December 31, 2025, the District contributed \$35,844 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

- **For Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements were 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 were projected using scale MP-2021.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Return 12/31/2025	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	32.50%	14.44%	4.85%	7.35%
International Equities	18.00%	32.71%	4.95%	7.45%
Fixed Income	24.00%	7.50%	2.25%	4.75%
Real Estate	10.50%	2.33%	3.75%	6.25%
Alternatives	14.00%	15.24%		
Private Equity		N/A	6.00%	8.50%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	1.40%	3.90%
Cash Equivalents	1.00%	4.35%	0.50%	3.00%

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

8. EMPLOYEE RETIREMENT SYSTEM (Continued)

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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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%.

Changes in Net Pension Liability

Changes in the District's net pension liability for the year ended December 31, 2025 were as follows:

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability (Asset)
Balance, December 31, 2024	\$ 6,871,289	\$ 7,219,767	\$ (348,478)
Changes for the year:			
Service Cost	116,214	-	116,214
Interest	490,439	-	490,439
Difference between expected and actual experience	12,534	-	12,534
Changes of assumptions	-	-	-
Contributions - employees	-	65,586	(65,586)
Contributions - employer	-	35,854	(35,854)
Net investment income	-	1,107,024	(1,107,024)
Benefit payments including refunds of Employee Contributions	(329,438)	(329,438)	-
Other (Net Transfer)	-	28,236	(28,236)
Net Changes	289,749	907,262	(617,513)
Balance, December 31, 2025	<u>\$ 7,161,038</u>	<u>\$ 8,127,029</u>	<u>\$ (965,991)</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

8. EMPLOYEE RETIREMENT SYSTEM (Continued)

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

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 7,928,204	\$ 7,161,038	\$ 6,576,701
Plan Fiduciary Net Position	8,127,029	8,127,029	8,127,029
Net Pension Liability/(Asset)	<u>\$ (198,825)</u>	<u>\$ (965,991)</u>	<u>\$ (1,550,328)</u>

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

For the year ended December 31, 2025, the District realized pension expense of \$8,190. At December 31, 2025, the District realized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 17,588	\$ -	\$ 17,588
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on plan investments	298,361	693,980	(395,619)
Total	<u>\$ 315,949</u>	<u>\$ 693,980</u>	<u>\$ (378,031)</u>

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

Year ending December 31	Net Deferred Outflows of Resources
2026	\$ 105,519
2027	(206,827)
2028	(158,555)
2029	(118,168)
2030	-
Thereafter	-
Total	<u>\$ (378,031)</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The District has evaluated its potential other postemployment benefits liability. The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. Due to minimal utilization, the implicit subsidy to calculate in accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (which became effective for fiscal years beginning after June 15, 2017 and replaced GASB Statement No. 45) is estimated to be immaterial to the financial statements. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of December 31, 2025.

10. CHANGES IN RESTRICTED FUND EQUITY

The District levies taxes for the following funds, which it records in the General Fund. During the fiscal year ended December 31, 2025, the following table shows a summary of the activity associated with these tax levies:

	IMRF	Social Security	Liability Insurance	Audit	Working Cash
Beginning equity	\$ 376,318	447,739	260,233	-	48,718
Revenues	101,435	184,550	137,642	17,479	-
Expenditures	(37,266)	(132,481)	(97,821)	(17,479)	-
Excess covered by General Fund	-	-	-	-	-
Ending equity	<u>\$ 440,487</u>	<u>499,808</u>	<u>300,054</u>	<u>-</u>	<u>48,718</u>

11. RESTRICTED NET POSITION

The following table shows the net position restricted for debt and other purposes as shown in the Statement of Net Position:

Governmental Activities:			
Special Revenue Funds	Enabling Legislation	\$	1,811,522
Debt Service	Enabling Legislation		359,754
Social Security	Enabling Legislation		499,808
Liability Insurance	Enabling Legislation		300,054
Audit	Enabling Legislation		-
Working Cash	Enabling Legislation		48,718
Municipal Retirement Fund	State and Federal Pension		440,487
		<u>\$</u>	<u>3,460,343</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

12. RISK MANAGEMENT COOPERATIVE

The 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. Since August 21, 2015, the 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, 2025 through December 31, 2025:

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits	Insurance Company	Policy Number
<u>1. Property</u>					
All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000/occurrence/all members Declaration 11	PDRMA	P070124
Flood/except Zones A & V	\$1,000	\$1,000,000	\$100,000,000/occurrence/annual aggregate	Reinsurers: Various	
Flood, Zones A & V	\$1,000	\$1,000,000	\$50,000,000/occurrence/annual aggregate	Reinsurers through the Alliant Property	
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/occurrence/annual aggregate	Reinsurance Program (APIP)	
Auto Physical Damage Comprehensive and Collision	\$1,000	\$1,000,000	Included		
Course of Construction	\$1,000	\$1,000,000	\$25,000,000/projects in excess of \$15,000,000 require approval		
Tax Revenue Interruption	\$1,000	\$1,000,000	\$3,000,000/reported values		
Business Interruption, Rental Income	\$1,000		\$1,000,000/non-reported values \$100,000,000/reported values		
Off Premises Service Interruption	24 hours	N/A	\$500,000/\$2,500,000/non-reported values		
Boiler and Machinery			\$25,000,000		
Property damage	\$1,000	\$9,000	Other sub-limits apply - refer to coverage document \$100,000,000 Equip. Breakdown		
Business Income	48 hours	N/A	Property damage - included	Travelers Indemnity Co. of Illinois	BME10525L478-TIL-25
Fidelity and Crime	\$1,000	\$24,000	Included		
Seasonal employees	\$1,000	\$9,000	Other sub-limits apply - refer to coverage document \$2,000,000/occurrence		
Blanket bond	\$1,000	\$24,000	\$1,000,000/occurrence \$2,000,000/occurrence	National Union Fire Insurance Co.	025-824-13-27
<u>2. Workers Compensation</u>					
Employers' Liability	N/A	\$500,000 \$500,000	Statutory \$3,500,000	PDRMA Government Entities Mutual (GEM) Safety National	WC010125 GEM-0003-A25001 SP4067759
<u>3. Liability</u>					
General	None	\$500,000	\$22,000,000/occurrence	PDRMA	L010125
Auto Liability	None	\$500,000	\$22,000,000/occurrence	Reinsurers: GEM	GEM-0003-A25001
Employment Practices	None	\$500,000	\$22,000,000/occurrence	Genesis	C501-25
Public Officials' Liability	None	\$500,000	\$22,000,000/occurrence	Upland	USXPE0830625
Law Enforcement Liability	None	\$500,000	\$22,000,000/occurrence	AWAC	0312-6656
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/occurrence		
Communicable Disease	\$1,000/\$5,000	\$5,000,000	\$250,000/claim/aggregate; \$5M aggregate all members		

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

12. RISK MANAGEMENT COOPERATIVE (Continued)

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits	Insurance Company	Policy Number
<u>4. Pollution Liability</u>					
Liability - Third party	None	\$25,000	\$5,000,000/occurrence	AXA XL	
Property - First party	\$1,000	\$24,000	\$30,000,000 3 yr. aggregate	Environmental	PEC002535808
<u>5. Outbreak Expense</u>					
Outbreak suspension	24 hours	N/A	\$1 million aggregate policy limit \$5,000/\$25,000/day all locations \$150,000/\$500,000 aggregate	Self-insured	OB010125
Workplace violence suspension	24 hours	N/A	\$15,000/day all locations 5 day max		
Fungus suspension	24 hours	N/A	\$15,000/day all locations 5 day max		
<u>6. Information Security and Privacy Insurance with Electronic Media Liability Coverage</u>					
Breach Response	\$1,000	\$50,000	\$500,000/occurrence/annual agg \$1 million if Beazley vendors used \$750,000 annual agg. for all combined	Beazley Lloyds Syndicate AFB 2623/623 through the APIP program	
Business Interruption & Business Loss					
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		
eCrime	\$1,000	\$50,000	\$75,000/occurrence/annual aggregate		
Criminal Reward	\$1,000	\$50,000	\$25,000/occurrence/annual aggregate		
<u>7. Deadly Weapon Response</u>					
Liability	\$1,000	\$9,000	\$500,000 per occ/\$2,500,000 annual agg. for all members	Underwritten at Lloyds of London	PJ23000500043
First Party Property	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit		
Crisis Mgmt. Services	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit		
Counseling/Funeral Expenses	\$1,000	\$9,000	\$250,000 per occ. as part 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		
<u>8. Volunteer Medical Accident</u>	None	\$5,000	\$5,000 medical expense of any other collectible insurance	Self-insured	
<u>9. Underground Storage Tank Liability</u>	None	N/A	\$10,000 follows Illinois Leaking Underground Tank Fund	Self-insured	
<u>10. Unemployment Compensation</u>	N/A	N/A	Statutory	Member funded	

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Belvidere Park District. Settlements have not exceeded insurance claims in each of the past three years.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

12. RISK MANAGEMENT COOPERATIVE (Continued)

As a member of PDRMA's Property/Casualty Program, the Belvidere 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 Belvidere Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Belvidere Park District's governing body. The Belvidere 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, 2024 and the statement of revenues and expenses for the period ending December 31, 2024. The Belvidere Park District's portion of the overall equity pool is -0.002% or \$(613).

Assets	\$57,489,173
Deferred Outflows of Resources – Pension	\$1,504,673
Liabilities	\$18,636,379
Deferred Inflows of Resources – Pension	\$47,361
Total Net Position	\$40,310,107
Operating Revenues	\$22,016,322
Non-operating Revenues	\$3,089,028
Expenditures	\$25,474,173

Since 94.31% 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 Net Position is impacted annually as more recent loss information becomes available.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2025

13. CONSTRUCTION COMMITMENTS

As of December 31, 2025, the District has entered into the following contracts extending beyond the fiscal year:

<u>Project</u>	<u>Expended to Date</u>	<u>Total Remaining Commitment</u>
Doty Park Ice Rink Roof	\$ 55,733	\$ 1,338,752

14. SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 20, 2026, which was the date that these financial statements were available for issuance, and determined that there were no significant unrecognized subsequent events through that date.

BELVIDERE PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
Illinois Municipal Retirement Fund

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

Calendar year ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 116,214	\$ 118,481	\$ 106,404	\$ 93,168	\$ 112,525	\$ 116,470	\$ 118,608	\$ 114,669	\$ 115,795	\$ 112,763
Interest on the Total Pension Liability	490,439	467,299	447,201	424,823	405,969	387,278	378,351	355,012	327,696	309,271
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	12,534	61,922	64,305	103,023	46,548	59,994	(144,023)	66,233	196,166	(69,952)
Assumption Changes	-	-	(22,109)	-	-	(50,265)	-	146,665	(126,138)	(5,435)
Benefit Payments and Refunds	(329,438)	(325,365)	(323,861)	(314,095)	(276,528)	(230,854)	(226,634)	(172,165)	(125,336)	(90,643)
Net Change in Total Pension Liability	289,749	322,337	271,940	306,919	288,514	282,623	126,302	510,414	388,183	256,004
Total Pension Liability - Beginning	6,871,289	6,548,952	6,277,012	5,970,093	5,681,579	5,398,956	5,272,654	4,762,240	4,374,057	4,118,053
Total Pension Liability - Ending (a)	<u>\$7,161,038</u>	<u>\$ 6,871,289</u>	<u>\$ 6,548,952</u>	<u>\$ 6,277,012</u>	<u>\$ 5,970,093</u>	<u>\$ 5,681,579</u>	<u>\$ 5,398,956</u>	<u>\$ 5,272,654</u>	<u>\$ 4,762,240</u>	<u>\$ 4,374,057</u>
Plan Fiduciary Net Position										
Employer Contributions	\$ 35,854	\$ 27,510	\$ 18,164	\$ 52,614	\$ 107,143	\$ 123,601	\$ 102,715	\$ 116,621	\$ 112,287	\$ 110,879
Employee Contributions	65,586	62,208	57,969	53,685	53,288	54,370	53,274	58,751	54,450	52,912
Pension Plan Net Investment Income	1,107,024	688,337	702,064	(960,174)	1,061,433	720,222	785,716	(210,731)	609,709	249,909
Benefit Payments and Refunds	(329,438)	(325,365)	(323,861)	(314,095)	(276,528)	(230,854)	(226,634)	(172,165)	(125,336)	(90,643)
Other (Net Transfer)	28,236	(118,981)	154,804	16,309	68,640	641,964	14,487	77,114	(36,529)	4,375
Net Change in Plan Fiduciary Net Position	907,262	333,709	609,140	(1,151,661)	1,013,976	1,309,303	729,558	(130,410)	614,581	327,432
Plan Fiduciary Net Position - Beginning	7,219,767	6,886,058	6,276,918	7,428,579	6,414,603	5,105,300	4,375,742	4,506,152	3,891,571	3,564,139
Plan Fiduciary Net Position - Ending (b)	<u>\$8,127,029</u>	<u>\$ 7,219,767</u>	<u>\$ 6,886,058</u>	<u>\$ 6,276,918</u>	<u>\$ 7,428,579</u>	<u>\$ 6,414,603</u>	<u>\$ 5,105,300</u>	<u>\$ 4,375,742</u>	<u>\$ 4,506,152</u>	<u>\$ 3,891,571</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (965,991)	\$ (348,478)	\$ (337,106)	\$ 94	\$ (1,458,486)	\$ (733,024)	\$ 293,656	\$ 896,912	\$ 256,088	\$ 482,486
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.49%	105.07%	105.15%	100.00%	124.43%	112.90%	94.56%	82.99%	94.62%	88.97%
Covered Valuation Payroll	\$ 1,465,413	\$ 1,382,409	\$ 1,288,191	\$ 1,179,685	\$ 1,129,465	\$ 1,208,226	\$ 1,183,590	\$ 1,284,901	\$ 1,209,989	\$ 1,175,816
Net Pension Liability as a Percentage of Covered Valuation Payroll	-65.92%	-25.21%	-26.17%	0.01%	-129.13%	-60.67%	24.81%	69.80%	21.16%	41.03%

BELVIDERE PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
Illinois Municipal Retirement Fund
Multiyear Schedule of Contributions
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2025	\$ 36,049	\$ 35,854	\$ 195	\$ 1,465,413	2.45%
2024	27,510	27,510	-	1,382,409	1.99%
2023	18,163	18,164	(1)	1,288,191	1.41%
2022	52,614	52,614	-	1,179,685	4.46%
2021	104,927	107,143	(2,216)	1,129,465	9.49%
2020	123,602	123,601	1	1,208,226	10.23%
2019	102,262	102,715	(453)	1,188,715	8.64%
2018	116,621	116,621	-	1,307,411	8.92%
2017	112,287	112,287	-	1,209,989	9.28%
2016	110,879	110,879	-	1,175,816	9.43%

**BELVIDERE PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS
December 31, 2025**

Illinois Municipal Retirement Fund
Summary of Actuarial Methods and Assumptions
Used in the Calculation of the 2025 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 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	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing Bodies: 10-year rolling period, Taxing bodies (Regular, SLEP, and ECO groups): 18-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 13 years for most employers (five employers were financed over 14 years; one employer was financed over 15 years; two employers were financed over 16 years; one employer was financed over 19 years; three employers were financed over 22 years; four employers were financed over 23 years; and one employer was financed over 24 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables were used, and future mortality improvements were 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 were used, and future mortality improvements were projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables were used, and future mortality improvements were projected using scale MP-2021.

Other Information:

Notes There were no benefit changes during the year.

**Based on Valuation Assumptions used in the December 31, 2023 actuarial valuation.*

BELVIDERE PARK DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2025

	2025		
	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes:			
Property taxes	\$ 1,732,841	1,745,499	12,658
Corporate replacement taxes	130,500	173,714	43,214
Charges and fees	30,000	33,340	3,340
Donations & grants	20,500	18,996	(1,504)
Interest	1,600	75,093	73,493
Other	17,754	40,592	22,838
Total revenues	<u>1,933,195</u>	<u>2,087,234</u>	<u>154,039</u>
Expenditures:			
Current:			
Culture & recreation:			
Personnel	1,182,487	978,202	204,285
Contractual services	579,550	769,697	(190,147)
Material & supplies	203,858	209,737	(5,879)
Capital outlay	<u>7,300</u>	<u>8,522</u>	<u>(1,222)</u>
Total expenditures	<u>1,973,195</u>	<u>1,966,158</u>	<u>7,037</u>
Excess of revenues over (under) expenditures	(40,000)	121,076	161,076
Other financing sources (uses):			
Subscription liability proceeds	-	170,361	170,361
Lease proceeds	<u>40,000</u>	<u>96,565</u>	<u>56,565</u>
Net change in fund balance	<u>\$ -</u>	<u>388,002</u>	<u>388,002</u>
Fund balance:			
Beginning		<u>2,752,580</u>	
Ending		<u>\$ 3,140,582</u>	

BELVIDERE PARK DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Recreation Fund
For the Year Ended December 31, 2025

	2025		
	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 1,001,949	1,000,862	(1,087)
Charges & fees	806,304	828,505	22,201
Donations & grants	65,214	4,650	(60,564)
Interest	14,700	23,509	8,809
Other	73,890	29,357	(44,533)
Total revenues	<u>1,962,057</u>	<u>1,886,883</u>	<u>(75,174)</u>
Expenditures:			
Current:			
Culture & recreation:			
Personnel	1,413,924	1,286,276	127,648
Contractual services	397,365	317,052	80,313
Material & supplies	150,768	96,086	54,682
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,962,057</u>	<u>1,699,414</u>	<u>262,643</u>
Net change in fund balance	\$ <u>-</u>	187,469	<u>187,469</u>
Fund balance:			
Beginning		<u>780,470</u>	
Ending		\$ <u>967,939</u>	

BELVIDERE PARK DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Recreation Fund
For the Year Ended December 31, 2025

	2025		
	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 342,205	341,910	(295)
Charges & fees	224,916	236,779	11,863
Donations & grants	5,227	14,295	9,068
Interest	6,200	9,817	3,617
Other	9,550	18,724	9,174
Total revenues	588,098	621,525	33,427
Expenditures:			
Current:			
Culture & recreation:			
Personnel	463,113	476,679	(13,566)
Contractual	42,508	38,223	4,285
Material & supplies	82,477	67,821	14,656
Total expenditures	588,098	582,723	5,375
Net change in fund balance	\$ -	38,802	38,802
Fund balance:			
Beginning		360,865	
Ending		\$ 399,667	

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for all the funds on the modified accrual basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level.

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

- A. The District Executive Director submits to the District Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to March 31, the budget is legally enacted by District Board action. This is the amount reported as original budget.
- D. The District Board is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriation of any fund must be approved by the District Board as a supplemental appropriation ordinance.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year.
- F. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that "expenditures be made in conformity with appropriations/ budget." As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Bond and Interest Fund
For the Year Ended December 31, 2025

	2025		
	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 1,332,934	1,344,892	11,958
Interest	<u>1,500</u>	<u>8,242</u>	<u>6,742</u>
Total revenues	<u>1,334,434</u>	<u>1,353,134</u>	<u>18,700</u>
Expenditures:			
Debt service:			
Principal	1,284,000	1,284,000	-
Interest	<u>48,934</u>	<u>48,934</u>	<u>-</u>
Total expenditures	<u>1,332,934</u>	<u>1,332,934</u>	<u>-</u>
Net change in fund balance	\$ <u>1,500</u>	20,200	<u>18,700</u>
Fund balance:			
Beginning		<u>320,637</u>	
Ending		<u>\$ 340,837</u>	

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Alternate Bond and Interest Fund
For the Year Ended December 31, 2025

	2025		
	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest	\$ 62,300	508	(61,792)
Total revenues	62,300	508	(61,792)
Expenditures:			
Debt Service:			
Principal payments	433,800	365,000	68,800
Interest payments	61,500	130,300	(68,800)
Total expenditures	495,300	495,300	-
Excess of revenues over (under) expenditures	<u>(433,000)</u>	<u>(494,792)</u>	<u>(61,792)</u>
Other financing sources (uses):			
GO bond proceeds	433,800	500,300	66,500
Total other financing sources	433,800	500,300	66,500
Net change in fund balance	\$ <u>800</u>	5,508	<u>4,708</u>
Fund balance:			
Beginning		13,409	
Ending		\$ <u>18,917</u>	

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2025

	2025		
	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Donations & grants	\$ 1,604,000	101,262	(1,502,738)
Interest	8,500	43,786	35,286
Other	51,100	86,399	35,299
Total revenues	<u>1,663,600</u>	<u>231,447</u>	<u>(1,432,153)</u>
Expenditures:			
Current:			
Culture & recreation:			
Contractual services	-	-	-
Capital outlay	<u>2,473,800</u>	<u>1,138,468</u>	<u>1,335,332</u>
Total expenditures	<u>2,473,800</u>	<u>1,138,468</u>	<u>1,335,332</u>
Excess of revenues over (under) expenditures	<u>(810,200)</u>	<u>(907,021)</u>	<u>(96,821)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	57,500	(57,500)
GO bond proceeds	<u>810,200</u>	<u>834,700</u>	<u>24,500</u>
Total other financing sources	<u>810,200</u>	<u>892,200</u>	<u>(33,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(14,821)</u>	<u>(129,821)</u>
Fund balance:			
Beginning		<u>1,669,202</u>	
Ending		<u>\$ 1,654,381</u>	

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Museum Fund
For the Year Ended December 31, 2025

	2025		
	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 118,841	118,774	(67)
Charges & fees	2,500	1,288	(1,212)
Donations & grants	51,440	-	(51,440)
Interest	32,800	11,209	(21,591)
Other	-	3,860	3,860
Total revenues	<u>205,581</u>	<u>135,131</u>	<u>(70,450)</u>
Expenditures:			
Current:			
Culture & recreation:			
Personnel	-	-	-
Contractual services	185,580	17,860	167,720
Material & supplies	20,000	5,691	14,309
Capital outlay	-	102,600	(102,600)
Total expenditures	<u>205,580</u>	<u>126,151</u>	<u>79,429</u>
Net change in fund balance	<u>\$ 1</u>	<u>8,980</u>	<u>8,979</u>
Fund balance:			
Beginning		<u>434,936</u>	
Ending		<u>\$ 443,916</u>	

BELVIDERE PARK DISTRICT, ILLINOIS
Assessed Valuations and Property Tax Rates
Extensions and Collections

	Tax Years		
	2024	2023	2022
Rate Setting Assessed Valuation	\$ 925,368,616	826,063,984	758,732,730
Tax rates:			
General & SB 508	0.14482	0.16116	0.15774
Recreation	0.10828	0.11618	0.11827
Museum	0.01285	0.01378	0.01402
Social Security	0.01879	0.01966	0.02001
IMRF	0.01092	0.01171	0.01430
Liability	0.01243	0.01333	0.01357
Audit	0.00188	0.00201	0.00204
Joint Handicap Rec.	0.03699	0.03968	0.04000
Bond & Interest	0.14550	0.15176	0.16421
	<u>0.49246</u>	<u>0.52927</u>	<u>0.54416</u>
Tax extensions:			
General Fund	1,340,119	1,331,285	1,196,825
Recreation Fund	1,001,989	959,721	897,353
Museum Fund	118,910	113,832	106,374
Social Security	173,877	162,404	151,822
IMRF	101,050	96,732	108,499
Liability Fund	115,023	110,114	102,960
Audit Fund	17,397	16,604	15,478
Joint Handicap Rec.	342,294	327,782	303,493
Bond & Interest	1,346,411	1,253,635	1,245,915
	<u>4,557,070</u>	<u>4,372,109</u>	<u>4,128,720</u>
Tax Collections:			
General Fund	1,338,611	1,278,924	1,195,057
Recreation Fund	1,000,862	958,005	896,027
Museum Fund	118,774	113,629	106,215
Social Security	173,679	162,116	151,597
IMRF	100,935	96,560	108,338
Liability Fund	114,895	109,919	102,810
Audit Fund	17,379	16,576	15,456
Joint Handicap Rec.	341,910	377,166	303,046
Bond & Interest	1,344,892	1,251,394	1,244,075
	<u>\$ 4,551,937</u>	<u>4,364,289</u>	<u>4,122,621</u>
Percent Collected	<u>99.9%</u>	<u>99.8%</u>	<u>99.9%</u>

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Legal Debt Margin
December 31, 2025

	2025 <u>for tax year 2024</u>	2024 <u>for tax year 2023</u>
Assessed Valuations	\$ <u>925,368,616</u>	<u>826,063,984</u>
Statutory Debt Limitation (2.875% of Assessed Valuation)	<u>26,604,348</u>	<u>23,749,340</u>
Amount of debt applicable to debt limit:		
General obligation bonds	1,335,000	1,284,000
General obligation alternate revenue bonds	<u>3,075,000</u>	<u>3,440,000</u>
Total debt applicable to limit	4,410,000	4,724,000
Less: assets in debt service funds available for payment on debt	<u>359,754</u>	<u>334,046</u>
Net debt applicable to limit	<u>4,050,246</u>	<u>4,389,954</u>
Legal debt margin	\$ <u><u>22,554,102</u></u>	<u><u>19,359,386</u></u>

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Non-Referendum Bond Debt Margin
December 31, 2025

	2025 <u>for tax year 2024</u>	2024 <u>for tax year 2023</u>
Assessed Valuations	\$ <u>925,368,616</u>	<u>826,063,984</u>
Statutory Debt Limitation (0.575 % of Assessed Valuation)	<u>5,320,870</u>	<u>4,749,868</u>
Amount of debt applicable to debt limit: General obligation bonds	<u>1,335,000</u>	<u>1,284,000</u>
Total debt applicable to limit	1,335,000	1,284,000
Less: assets in debt service funds available for payment on debt	<u>359,754</u>	<u>334,046</u>
Net debt applicable to limit	<u>975,246</u>	<u>949,954</u>
Legal debt margin	\$ <u>4,345,624</u>	<u>3,799,914</u>

To the Board of Commissioners and Management
Belvidere Park District
Belvidere, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Belvidere Park District as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Belvidere Park District's system of 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 Belvidere Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of Belvidere Park District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

Segregation of Duties

As communicated in the prior year and as is common to an entity of your size, a lack of segregation of duties exists as several critical accounting responsibilities are combined and assigned to one individual. This lack of segregation of duties may result in an inadequate control over cash and the subsequent recording of these transactions in the accounting records. For example, the same individual who processes checks also has access to edit the vendor master file, signs checks, and reconciles the bank account. The lack of segregation of duties is a significant deficiency in internal control that potentially reduces the effectiveness of other general controls that may exist.

The primary purpose of segregation of duties is to enhance the likelihood of preventing a material error or irregularity. The secondary purpose of segregation of duties is to detect a material error or irregularity, if one should occur. Adequate segregation of duties is attained by involving different individuals in the authorization of a transaction, the execution of the transaction, the recording of the transaction, the review and reconciliation of the transaction, and the physical custody of any resulting asset.

We recognize that the District may not be large enough to make the employment of additional persons for the purpose of segregation of duties practicable from a financial standpoint. However, we are required under professional responsibilities to bring this situation to your attention.

Assistance with Preparation of Financial Statements

While it is not unusual for an organization your size to engage the auditor to assist in drafting the financial statements and accompanying notes, auditing standards advise that an entity's internal control over financial reporting extends to the financial statements. Therefore, reliance on the auditor to assist in drafting the financial statements and accompanying notes results in a significant deficiency in internal control.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within Belvidere Park District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Lucas Group CPAs + Advisors, PLLC

Rockford, Illinois
July 20, 2026

July 20, 2026

To the Board of Commissioners
Belvidere Park District
Belvidere, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Belvidere Park District for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 29, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Belvidere Park District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by Belvidere Park District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statement was depreciation and actuarial assumptions used in determining pension disclosure information. We evaluated the methods, assumptions, and data used to develop those estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most significant disclosures affecting the financial statements are the disclosures of pension information in the notes to the financial statements because the disclosures are subject to actuarial methods and assumptions.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed 10 adjustments to the District's accounting records. The adjustments primarily consisted of reclassifying restricted fund balances within the General Fund; correcting prepaid expenses; correcting interest income allocations; correcting accounts payable and payroll liabilities; reclassifying bond proceeds into the correct fund; correcting a capital asset addition; to record a grant receivable and unearned revenue in the fund financial statements; and to record other financing sources for GASB 96 subscription liability and GASB 87 lease obligation.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 20, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Belvidere Park District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Belvidere Park District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control

Our management letter, dated July 20, 2026, communicates significant deficiencies due to the lack of segregation of duties within the accounting function and reliance on the auditor to assist in preparing the financial statements.

Other Matters

We applied certain limited procedures to the management discussion and analysis, Illinois Municipal Retirement Fund schedules, and budgetary comparison information, as listed in the table of contents of the financial statements on pages 41 through 47, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary financial information, as listed in the table of contents of the financial statements on pages 48 through 51, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the assessed valuations and property tax rates schedule and the legal debt margin schedules, as listed in the table of contents of the financial statements on pages 52 through 54, which accompany the financial statements but are not RSI. Such information 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 it.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of Belvidere Park District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Lucas Group CPAs + Advisors, PLLC

Lucas Group CPAs + Advisors, PLLC