



Comprehensive Annual Financial Report

Fiscal Year Ended
April 30, 2017

Frankfort, Illinois 60423

VILLAGE OF FRANKFORT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2017

Prepared by:

Jerald P. Ducay
Village Administrator

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

	PAGE
 <u>INTRODUCTORY SECTION</u>	
List of Principal Officials.....	i
Organizational Chart.....	ii
Transmittal Letter.....	iii - vii
Certificate of Achievement for Excellence in Financial Reporting.....	viii
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 12
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	4 - 5
Statement of Activities.....	6 - 7
Fund Financial Statements	
Balance Sheet – Governmental Funds	8 - 9
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position – Governmental Activities.....	10
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds	11 - 12
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities – Governmental Activities.....	13
Statement of Net Position – Proprietary Fund	14 - 15
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	16
Statement of Cash Flows – Proprietary Fund	17
Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19
 Notes to the Financial Statements.....	 20 - 55
 REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress and Employer Contributions	
Health Insurance Plan for Retired Employees	56
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	57
Police Pension Fund.....	58

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
REQUIRED SUPPLEMENTARY INFORMATION – Continued	
Schedule of Changes in the Employer’s Net Pension Liability	
Illinois Municipal Retirement Fund.....	59
Police Pension Fund.....	60
Schedule of Investment Returns	
Police Pension Fund.....	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	62
Police Protection – Special Revenue Fund	63
Street and Bridge – Special Revenue Fund.....	64
Garbage Disposal – Special Revenue Fund	65
Motor Fuel Tax – Special Revenue Fund	66
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Expenditures – Budget and Actual – General Fund.....	67 - 68
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Capital Development – Capital Projects Fund.....	69
Combining Balance Sheet – Nonmajor Governmental – Special Revenue Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental – Special Revenue Funds.....	71
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Vehicle Tax – Special Revenue Fund	72
Illinois Municipal Retirement – Special Revenue Fund	73
Social Security – Special Revenue Fund	74
Schedule of Revenues, Expenditures and Changes in Net Position – Budget and Actual	
Waterworks and Sewerage – Enterprise Fund	75
Schedule of Changes in Fiduciary Net Position – Budget and Actual	
Police Pension – Pension Trust Fund.....	76

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

SUPPLEMENTAL SCHEDULE

Long Term Debt Requirements	
IEPA Loan of 2011	77

STATISTICAL SECTION (Unaudited)

Net Position by Component – Last Ten Fiscal Years	78 - 79
Change in Net Position – Last Ten Fiscal Years	80 - 81
Fund Balances of Governmental Funds – Last Ten Fiscal Years	82 - 83
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years	84 - 85
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	86 - 87
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	88 - 89
Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago	90
Property Tax Levies and Collections – Last Ten Tax Levy Years	91
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	92
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	93
Schedule of Direct and Overlapping Bonded Debt	94
Pledged-Revenue Coverage – Last Ten Fiscal Years	95
Legal Debt Margin – Last Ten Fiscal Years	96 - 97
Demographic and Economic Statistics – Last Ten Fiscal Years	98
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	99
Full-Time Equivalent Village Government Employees by Function/Program	
Last Ten Fiscal Years	100
Operating Indicators by Function/Program – Last Ten Fiscal Years	101 - 102
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	103

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Frankfort:

- List of Principal Officials
- Organizational Chart
- Transmittal Letter
- Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF FRANKFORT, ILLINOIS

List of Principal Officials April 30, 2017

VILLAGE MAYOR

Jim Holland

BOARD OF TRUSTEES

Adam Borrelli, Clerk

Judith Hageman, Treasurer

John Clavio, Trustee

Keith Ogle, Trustee

Cynthia Corso Heath, Trustee

Mike Stevens, Trustee

Robert J. Kennedy, Trustee

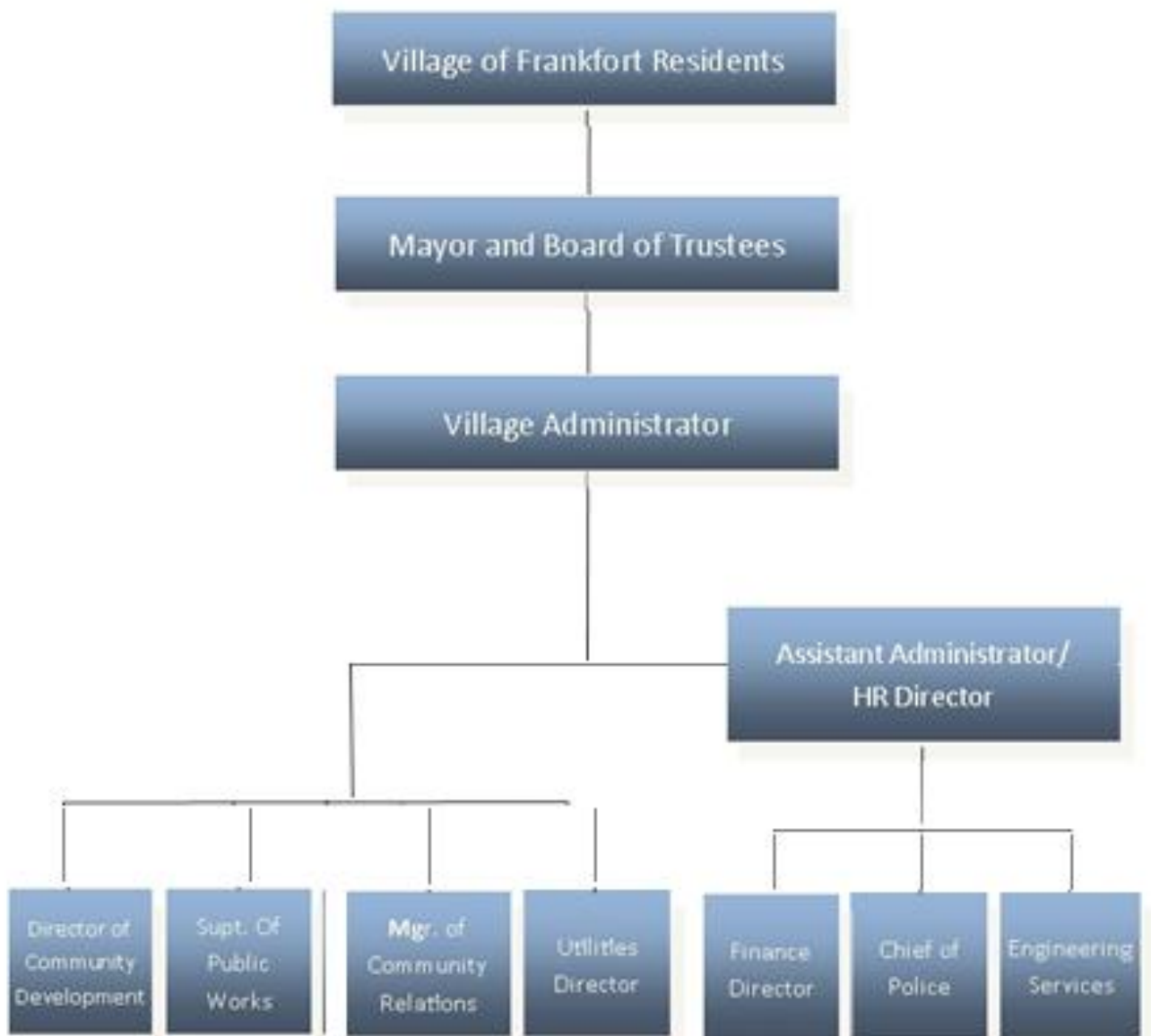
Richard Trevarthan, Trustee

ADMINISTRATION

Jerald P. Ducay, Village Administrator

George Mahoney, Village Attorney

Village of Frankfort Organizational Chart



VILLAGE OF
FRANKFORT
EST • 1855

August 25, 2017

Honorable Mayor and Board of Trustees
Village of Frankfort
Frankfort, Illinois

The Comprehensive Annual Financial Report of the Village of Frankfort for the fiscal year ended April 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village of Frankfort. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

The Village's reporting entity includes the Village government and all related organizations for which the Village exercises financial accountability as defined by the Governmental Accounting Standards Board (GASB). The Village has developed criteria to determine whether outside agencies with activities that benefit the citizens of the Village should be included within its financial reporting entity. Governmental entities, such as Frankfort Fire Protection District, Frankfort Public Library District, Frankfort Park District, Frankfort Square Park District, Frankfort School District 157-C, Summit Hill School District 161, and Lincoln-Way Community High School District 210 are not included in the Village's reporting entity. The Village exercises no financial accountability for these entities, and they are therefore not included in the Village's basic financial statements.

The Village and its Services

The Village of Frankfort was founded in 1855 and incorporated in 1879. Frankfort operates under the Village form of local government and has a President and Board of Trustees. The President, Village Clerk and the six trustees of the Village Board are elected for staggered, four-year terms.

The Village of Frankfort is a residential community of 19,373 people. It is approximately thirty-seven miles southwest of Chicago's Central Business District. Frankfort is situated at the crossroads of U.S. Route 45 and U.S. Route 30 in Will County, just three miles south of I-80, six miles southeast of I-355, and six miles west of I-57.

The Village of Frankfort provides the following municipal services:

Administration	Public Works
Building and Zoning	Solid Waste Disposal/Recycling
Economic Development	Water and Sewer
Police	

Major Initiatives

ECONOMIC CONDITION AND OUTLOOK

Frankfort's property tax is \$9.0324 per \$100 of assessed value for 2016. The tax rate for the Village of Frankfort and the Village Road and Bridge Fund is \$0.4368, which is a decrease of \$0.2113 from the 2000 tax rate of \$0.6481. With the state tax cap limiting tax revenue increases to the lesser of 5% or the local CPI rate, reliance upon property taxes for operating revenue has decreased.

Sales tax and income tax revenues both decreased from the prior year. Despite this year's slight decrease, sales tax remains one of the largest revenue sources, comprising approximately fifty percent (50%) of general governmental revenues. Revenue and expenses are continually analyzed to proactively counteract these decreased revenue sources.

FOR THE YEAR

In FY 2017, the Village recognized \$6,004,269 of sales tax revenue and \$1,676,626 of income tax revenue which equated to a decrease in governmental revenues of \$70,734 and \$142,237 respectively from the prior year. Property tax revenue increased by approximately \$18,000 during FY 2017 and went from \$3.547 million to \$3.565 million.

Out of all of the categories of sales tax, automotive and filling stations bring in the most sales tax revenue for the Village of Frankfort. Sales tax generated for calendar year 2016 from automotive and filling stations remained flat when compared to the prior year.

Sales tax revenue on food has continued to decrease in calendar year 2016. On the contrary, sales tax revenue has continued to increase from drinking and eating places in calendar year 2016.

Expenditures for the fiscal year came in under budgeted projections. This shortfall was the result of conservative spending by the departments. All of the departments finished the fiscal year under budget. Overall, revenues exceeded expenditures resulting in transfers which allow for a healthy capital fund to support ongoing and future projects.

FOR THE FUTURE

The Village of Frankfort enters fiscal year 2018 on a sound financial basis. Budgeted revenues and expenditures for the General Fund in FY 2018 are balanced. Budgeted revenues and expenditures in the Enterprise Fund are also balanced for FY 2018. With conservative spending expected, staff continues to strive for operational results which will allow for transfer of funds to the capital development funds for future capital improvements.

During FY 2017, construction began on the Waste Water Treatment Plant Project which is the largest capital project the Village has undertaken. This is a multi-year, \$60 million project which is necessary to meet environmental standards and to replace obsolete equipment. This project will ultimately close the North and West waste water treatment plants and upon completion will consolidate treatment operations at the Regional plant. The Village will fund the project through loans from the Illinois Environmental Protection Agency. The repayment of these loans will be paid for by current and future users of the utility system through sewer rate increases. The early stages of the project were well underway with the construction of the preliminary treatment building and lab and the pumping stations at the North and West plants. This project has many different phases and will extend beyond the next fiscal year.

As in the past, the Motor Fuel Tax Fund supports grant projects for road improvements. Steger Road was approved for Surface Transportation Program (STP) funding. During FY 2017, improvements to Steger Road were completed. In addition to STP funds, MFT funds were used to pay for the Village's local matching portion of the project. St. Francis Road was also approved for STP funding. Construction is projected to begin in FY 2018. Other roadways are being studied to prepare for future STP opportunities. In addition to funding the local share of grant projects, MFT dollars are also utilized for road resurfacing and road salt.

Various projects in the downtown area were also completed. Staff saved the Village tens of thousands of dollars by utilizing skills of Village employees for a seating wall, signage and more landscaping to downtown's Briedert Green. The Village has also furthered its efforts to complete the improvements of the Pfeiffer Road bike trail which is partially funded by grant funds. Construction began on the trail in early FY 2018. In addition, the Village began to consider methods for financing infrastructure improvements for new industrial businesses near the intersection of I-57 and Stuenkel Road.

As part of a master plan, a few years ago the Village purchased properties in the historic downtown district to support future economic development. The intent of Village officials was to acquire downtown properties and sell them, in order to bring retail development to the Historic District. Staff began marketing the properties to investors and developers during FY 2015 and is currently seeing interest in future developments.

LONG-TERM FINANCIAL PLANNING

The Village expects to continue to increase General Fund revenues above expenditures. These remaining revenues which are not used for operational costs will allow the Village to continue to transfer funds to the Capital Fund to pay for future capital improvements. The Village continues to seek federal and state funding grants to assist in the cost of these projects.

Accounting System and Budgetary Control

The Finance Director and Village Administrator are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the detailed account level through the use of departmental internal management reports. These monthly departmental internal management reports are utilized to analyze actual versus budget amounts. The Mayor and Village Board meet regularly to discuss the favorable and unfavorable variances of the actual to budget.

Financial Highlights

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operation of each fund is accounted for with a separate set of self-balancing accounts that includes its assets, liabilities, fund balance, revenues and expenditures. This method of accounting is known as Fund Accounting. Fund Accounting shows how money was spent rather than how much profit is earned. As of April 30, 2017, the Village transferred the remaining fund balances in the Police Protection, Street and Bridge, Garbage Disposal, Vehicle Tax, Illinois Municipal Retirement and Social Security Funds to the General Fund.

Cash and Investments

All of the Village's cash and investments are insured, or collateral is obtained for the amounts invested over the FDIC insured amount.

The Village is a participant in the Illinois Public Treasurers' Investment Pool. This pool is an investment alternative for public treasurers across the State of Illinois.

The pooling of funds enables public treasurers to receive a higher rate of return than if funds were invested separately with local financial institutions. The funds can be deposited in any amount, earn a competitive rate of return, are fully collateralized, and the funds are always available as needed by the Village.

The Village is also a participant in the Illinois Metropolitan Investment Fund (IMET). IMET is a Triple-A rated, one-to-three year investment fund controlled by and for Illinois public funds managers and finance officers to enhance investment opportunity.

Debt Administration

The Village of Frankfort does not have any bonded debt. Moody's Investors' Services had issued the Village of Frankfort a bond rating of AA3 during FY 2007.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Lauterbach & Amen was selected by the Village Board to perform the audit in conformance with the requirements set forth in Illinois Compiled Statutes. The independent auditor's report on the basic financial statements and combining, individual fund statements is included in the financial section of this report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Village of Frankfort received the Certificate for twenty-eight consecutive years: from fiscal year 1989 to 2016.

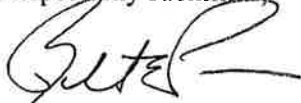
The Village of Frankfort is herewith submitting the enclosed financial report for fiscal year ended April 30, 2017, to re-apply for another Certificate of Achievement award. Since the Certificate is valid for a period of one year, the Village will need to annually re-apply for certification. It is the goal of the Village's Mayor and Board members to annually be eligible for the Certificate of Achievement award.

Acknowledgements

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Village of Frankfort. In addition, the firm of Lauterbach & Amen made substantial contributions by way of consulting on, and interpretations of recent pronouncements.

Our appreciation is sincerely expressed to the Village President and Board of Trustees for their foresight and contribution of support for this CAFR, and for their responsible and progressive approach that contributes to the financial strength of the Village of Frankfort.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Piscia", written over the text "Respectfully submitted,".

Robert Piscia, Interim Village Administrator



Government Finance Officers Association

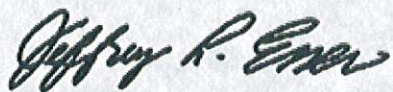
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Frankfort
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2016



Executive Director/CEO



2016

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 25, 2017

The Honorable Village Mayor
Members of the Board of Trustees
Village of Frankfort, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Frankfort, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements 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 Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Frankfort, Illinois, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Frankfort, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental schedule, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Matters – Continued

Other Information – Continued

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF FRANKFORT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2017

The management of the Village of Frankfort ("Village") presents this discussion and analysis to provide its readers with a narrative overview and analysis of the Village's financial activities for the year ended April 30, 2017. We encourage readers to consider the information presented here in conjunction with the information provided in the letter of transmittal, which can be found starting on page iii of this report.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the Required Supplementary Information that is provided in addition to the MD&A.

Financial Highlights

- The assets/deferred outflows of the Village exceeded its liabilities/deferred inflows at the close of this year by \$209,016,259 (net position). Of this amount, \$12,094,384 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- At the fund level, the Village transferred the remaining fund balance in the Police Protection, the Street and Bridge, the Garbage Disposal, the Vehicle Tax, the Illinois Municipal Retirement, and the Social Security Funds to the General Fund as of April 30, 2017.
- The governmental funds reported combined ending fund balances of \$14,709,062 of which \$5,802,314 was unassigned and is available for spending at the Village's discretion (unassigned fund balance).
- The restricted portion of the governmental funds equated to 46.6% of General Police Protection, Street and Bridge, Garbage Disposal, Vehicle Tax, Illinois Municipal Retirement, Social Security, and Road Construction and Maintenance expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. These basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Frankfort's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 4 - 7 of this report.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, i.e. uncollected taxes and earned but unused vacation leave.

Government-wide financial statements distinguish functions of the Village of Frankfort that are principally supported by taxes and intergovernmental revenues (governmental activities) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Village's governmental activities include public safety, public works, building and community development, solid waste, general government, and interest expense. The business-type activity of the Village includes waterworks and sewerage services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Frankfort, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Frankfort can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Frankfort maintained nine individual governmental funds during fiscal year 2017. As of April 30, 2017, the Village transferred the remaining fund balance in the Police Protection, the Street and Bridge, the Garbage Disposal, the Vehicle Tax, the Illinois Municipal Retirement, and the Social Security Funds to the General Fund. Due to these transfers, all end of the year balance sheet balances are presented in the General Fund. Information is presented separately in the governmental fund statement of revenues, expenditure, and changes in fund balances for the General Fund, Police Protection Fund, Street and Bridge Fund, Garbage Disposal Fund, Motor Fuel Tax Fund and Capital Development Fund. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Village's full report.

The Village of Frankfort adopts an annual Appropriation Ordinance (Budget) for all of the governmental funds. Budgetary comparison schedules have been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 8 - 13 of this report.

Proprietary Fund. The Village maintains one proprietary fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses the enterprise fund to account for its waterworks and sewerage system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund, which is considered the only major fund. The basic proprietary fund financial statements can be found on pages 14 - 17 of this report.

Fiduciary Funds. A fiduciary fund is used to account for resources held for the pension benefit payments to qualified police personnel. This fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the Village's own programs. The accounting used for the fiduciary fund is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 18 - 19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 - 55 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information. Required supplementary information can be found on pages 56 -66 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statement and schedules can be found on pages 67 -76 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. The Village's combined net position increased to \$209,016,259 from \$208,632,009, an increase of \$384,250.

The government-wide financial statements are designed to provide information in a corporate-like manner. The Governmental activities listed below include capital assets and long-term liabilities. Fund financial statements do not include these items. Also, the Village implemented the Governmental Accounting Standards Board Statement No. 68 (GASB No. 68), *Accounting and Financial Reporting for Pensions*, in fiscal year 2016. The implementation of this financial reporting standard required the recognition of net pension liabilities. These pension liabilities relate to the Village's participation in the Frankfort Police Pension Fund and the Illinois Municipal Retirement Fund. Under previous financial reporting standards, the Village was only required to report its long-term obligations for pensions in footnote disclosure and as required supplementary information.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 19,880,870	19,888,471	15,352,367	12,137,589	35,233,237	32,026,060
Capital Assets	114,633,501	114,140,516	94,160,027	83,503,454	208,793,528	197,643,970
Total Assets	134,514,371	134,028,987	109,512,394	95,641,043	244,026,765	229,670,030
Deferred Outflows	1,511,047	1,677,374	444,996	711,416	1,956,043	2,388,790
Total Assets/ Def. Outflows	136,025,418	135,706,361	109,957,390	96,352,459	245,982,808	232,058,820
Long-Term Debt	13,248,002	13,786,377	13,604,301	3,590,976	26,852,303	17,377,353
Other Liabilities	1,610,617	1,663,264	3,530,066	711,986	5,140,683	2,375,250
Total Liabilities	14,858,619	15,449,641	17,134,367	4,302,962	31,992,986	19,752,603
Deferred Inflows	4,827,861	3,674,208	145,702	-	4,973,563	3,674,208
Total Liab./ Def. Inflows	19,686,480	19,123,849	17,280,069	4,302,962	36,966,549	23,426,811
Net Position						
Net Investment in						
Capital Assets	114,633,501	114,140,516	81,719,708	82,055,859	196,353,209	196,196,375
Restricted	5,011,824	5,383,990	-	-	5,011,824	5,383,990
Unrestricted	(3,306,387)	(2,941,994)	10,957,613	9,993,638	7,651,226	7,051,644
Total Net Position	116,338,938	116,582,512	92,677,321	92,049,497	209,016,259	208,632,009

The chart on the next page shows the changes in net position. Overall net position increased for the year ended April 30, 2017 by \$384,250 and decreased \$6,017,247 for the year ended April 30, 2016. The large fluctuation in the change in net position is mainly due to the following items: (1) capital contribution revenue in FY 2017 related to the Steger Road project, (2) a decrease in expense related to the net pension liability due to better returns on investments in FY 2017 and (3) an increased amount of capitalized governmental spending in FY 2017.

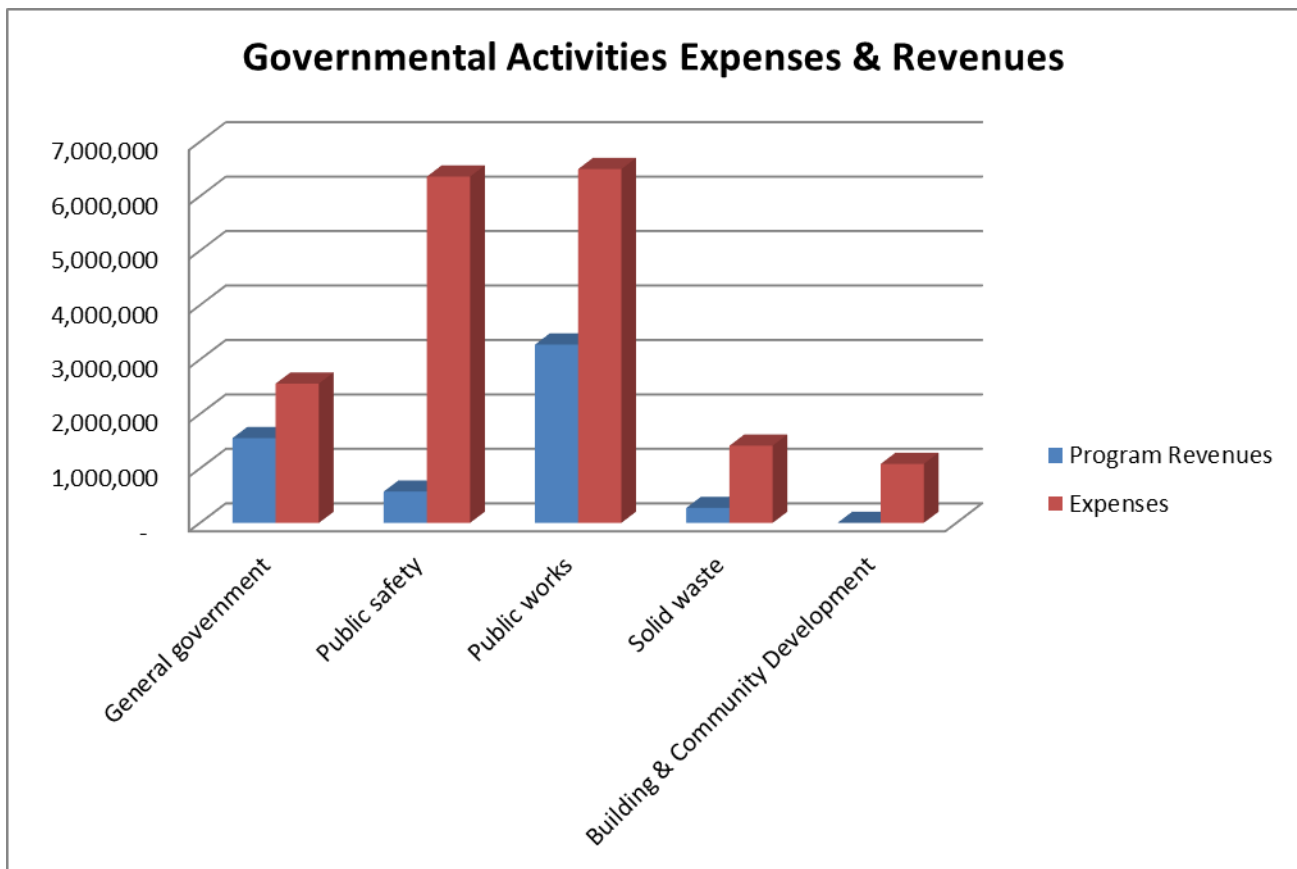
	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 2,675,675	2,801,604	8,702,382	7,726,967	11,378,057	10,528,571
Operating Grants/Contrib.	494,854	505,304	-	-	494,854	505,304
Capital Grants/Contrib.	2,511,139	443,223	55,000	-	2,566,139	443,223
General Revenues						
Property Taxes	3,565,618	3,547,862	-	-	3,565,618	3,547,862
Sales Taxes	6,004,269	6,078,143	-	-	6,004,269	6,078,143
Income Taxes	1,676,626	1,818,863	-	-	1,676,626	1,818,863
Use Taxes	438,441	410,480	-	-	438,441	410,480
Replacement Taxes	63,357	57,438	-	-	63,357	57,438
Interest Income	51,246	31,886	28,803	49,484	80,049	81,370
Miscellaneous	192,360	183,713	51,607	33,519	243,967	217,232
Total Revenues	17,673,585	15,878,516	8,837,792	7,809,970	26,511,377	23,688,486
Expenses						
General Government	2,557,616	3,332,029	-	-	2,557,616	3,332,029
Public Safety	6,360,475	7,179,980	-	-	6,360,475	7,179,980
Public Works	6,497,624	7,386,535	-	-	6,497,624	7,386,535
Solid Waste	1,417,644	1,373,180	-	-	1,417,644	1,373,180
Building & Community Development	1,083,800	1,356,325	-	-	1,083,800	1,356,325
Waterworks and Sewerage	-	-	8,209,968	9,077,684	8,209,968	9,077,684
Total Expenses	17,917,159	20,628,049	8,209,968	9,077,684	26,127,127	29,705,733
Change in Net Position	(243,574)	(4,749,533)	627,824	(1,267,714)	384,250	(6,017,247)
Net Position - Beginning	116,582,512	121,332,045	92,049,497	93,317,211	208,632,009	214,649,256
Net Position - Ending	116,338,938	116,582,512	92,677,321	92,049,497	209,016,259	208,632,009

- The FY 2017 sales tax revenue in the amount of \$6,004,269 is \$70,734 or 1.2% less than the FY 2016 revenue. The Village of Frankfort received a record amount of sales tax revenue in fiscal year 2016, \$6,075,003.
- The FY 2017 income tax revenue in the amount of \$1,676,626 is \$142,237 or 7.8% less than the FY 2016 revenue. Income tax revenue also reached a record high during FY 2016 at \$1,818,863.
- Property tax revenue increased slightly by \$17,756 due to the slight increase in the equalized assessed value of real property within the Village.

The Village's investment in capital assets, i.e. buildings and equipment, less any related outstanding debt used to acquire those assets represents 93.9% of the Village's net position. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (i.e. water/sewer rates), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional .3% of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,094,384 or 3.7% represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

	Expenses	Program Revenues	Net (Expense) Revenue
General government	\$ 2,557,616	1,557,006	(1,000,610)
Public safety	6,360,475	575,062	(5,785,413)
Public works	6,497,624	3,274,875	(3,222,749)
Solid waste	1,417,644	274,725	(1,142,919)
Building & Community Development	1,083,800	-	(1,083,800)



Government Activities

The form of government of Frankfort is that of a village with an elected President and Board of Trustees elected at large.

Governmental activities include the following functions:

- General government includes the administration and finance departments and civil defense.
- Public Safety includes police protection, police commission, and civil defense.
- Public Works includes the streets and bridges maintenance, public grounds and buildings maintenance, motor fuel tax projects and other projects.
- Building and Community Development includes building, zoning, community development, and engineering activities.
- Solid Waste reflects the collection of solid waste refuse and recycling materials.

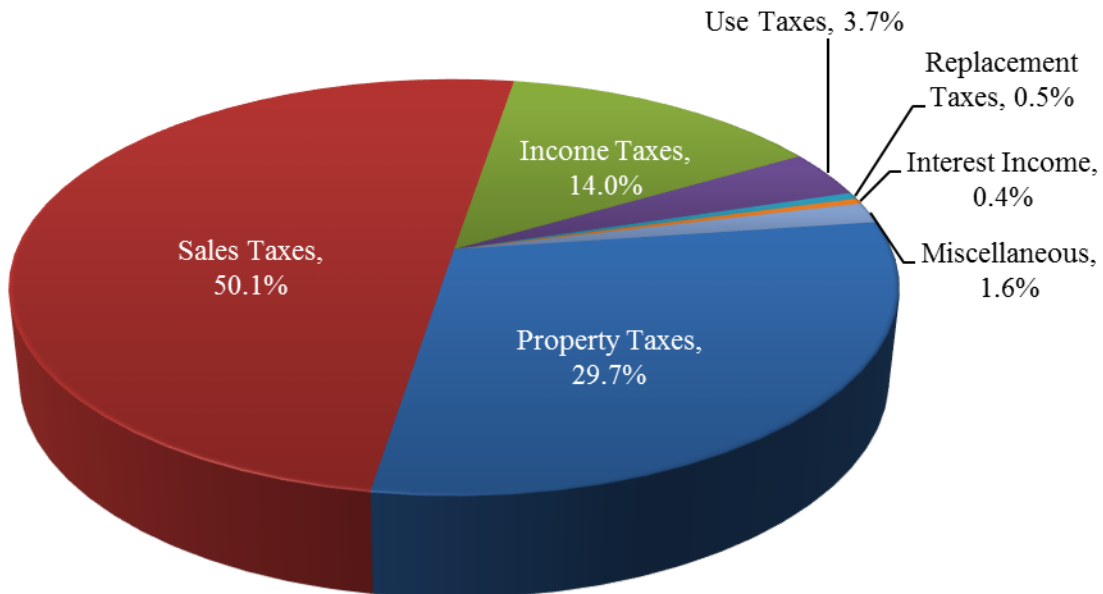
	Expenses		Program Revenues		Net (Expense) Revenue	
	2017	2016	2017	2016	2017	2016
General government	\$ 2,557,616	3,332,029	1,557,006	1,669,454	(1,000,610)	(1,662,575)
Public safety	6,360,475	7,179,980	575,062	574,874	(5,785,413)	(6,605,106)
Public works	6,497,624	7,386,535	3,274,875	1,237,149	(3,222,749)	(6,149,386)
Building & Community Development	1,083,800	1,356,325	-	-	(1,083,800)	(1,356,325)
Solid waste	1,417,644	1,373,180	274,725	268,654	(1,142,919)	(1,104,526)
	17,917,159	20,628,049	5,681,668	3,750,131	(12,235,491)	(16,877,918)

Program revenues are displayed above which include charges for services along with operating and capital grants/contributions. The expenses that are not covered by program revenues require subsidy by taxpayers. Subsidies come from general revenues such as sales, income and property taxes.

Program and general revenues are those available for the Village of Frankfort to use to pay for the governmental activities described above. The following table and chart shows the Village's general revenues:

	2017	
	Amount	Percentage
Property Taxes	\$ 3,565,618	29.7%
Sales Taxes	6,004,269	50.1%
Income Taxes	1,676,626	14.0%
Use Taxes	438,441	3.7%
Replacement Taxes	63,357	0.5%
Interest Income	51,246	0.4%
Miscellaneous	192,360	1.6%
Total	11,991,917	100.0%

Governmental Activities - General Revenue



Sales tax is one of the largest revenue sources for the Village comprising 50% of general governmental revenues. Property taxes collected during the year were comparable to fiscal year 2016 and continue to represent between 29-30% of the Village's general governmental revenues. The combined tax rate of the Village of Frankfort and the Village of Frankfort Road and Bridge Fund, the latter of which is levied by Frankfort Township, decreased from 0.4405 to 0.4368 per \$100 of equalized assessed valuation. This rate decrease has been offset by the 4.2% increase in the total equalized assessed value (EAV) of properties located in Frankfort. This is the second year since 2009 that the Village has seen an increase in the equalized assessed value of real property within the Village.

Business-type Activities

The business-type activity of the Village is the Waterworks and Sewerage System, wherein the Village charges a fee to customers to help cover the cost of the services it provides. The revenues for the Waterworks and Sewerage Fund exceeded the expenses by \$627,824.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Frankfort uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village of Frankfort's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure in the Village's net resources available for spending at the end of the fiscal year.

As of April 30, 2017, the Village of Frankfort's governmental funds reported combined ending fund balances of \$14,709,062. Approximately 39% of this total amount or \$5,802,314 constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remaining \$13,349,906 of the fund balance is nonspendable (\$300,361), restricted (\$568,666), and assigned (\$8,037,721). The nonspendable balance represents the Village's prepaid insurance, the restricted balance represents the Village's motor fuel tax fund balance and the assigned balance represents the capital development fund balance.

The fund balance of the Village of Frankfort's General Fund increased by \$4,667,586 over the prior year mainly because the Village transferred the remaining fund balances in the Police Protection, the Street and Bridge, the Garbage Disposal, the Vehicle Tax, the Illinois Municipal Retirement, and the Social Security Funds to the General Fund. The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the fund balance of the General Fund was \$6,102,675, of which \$300,361 is nonspendable and \$5,802,314 is unassigned. It also should be noted that \$1,500,000 was transferred from these combined funds into the Capital Development Fund to be used for future capital outlay. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 291.7% of the total General Fund expenditures. The unassigned fund balance includes the transfers mentioned above, whereas the expenditures only include the fiscal year 2017 General Fund expenditures. In future years, the General Fund expenditures will increase due to the consolidation of the above mentioned funds, which will in turn decrease the fund balance ratio.

The Police Protection and Street and Bridge Funds' operating revenues exceeded expenditures by \$756,823 and \$371,437 respectively. Also, as mentioned previously, all remaining funds were transferred to the General Fund and Capital Development Fund and therefore the fund balances in these funds as of April 30, 2017 have been reduced to \$0.

The Garbage Disposal Fund's operating expenditures exceeded revenues by \$966,099. Property tax revenue allocated for garbage disposal continues to decrease and conversely expenses have increased. Taxes levied for garbage disposal do not provide sufficient revenue to cover the garbage disposal expense. During FY 2017 this shortfall was mitigated by a transfer of sales taxes, property taxes and other sources from the General Fund. All remaining funds at April 30, 2017 were transferred to the General Fund and the remaining fund balance in the Garbage Disposal Fund is \$0.

The Vehicle Tax, Illinois Municipal Retirement and Social Security Fund's expenditures also exceeded revenues by \$4,729, \$93,717 and \$193,355 respectively. Prior to incorporating these funds into the General Fund, the General Fund would mitigate these shortfalls by transferring sales tax, property taxes and other revenue sources into the funds with the annual shortfalls. These transfers will no longer be needed in the future since all of these Fund's expenditures will be included within the General Fund.

The Motor Fuel Tax Fund ended the year with a fund balance of \$586,666 which is restricted. During the year, the fund balance of the Village of Frankfort's Motor Fuel Tax Fund decreased by \$694,255 mainly due to the Village's share of costs related to road and bridge projects.

The Capital Development Fund ended the year with a fund balance of \$8,037,721, all of which is assigned for future capital projects. During the year, the fund balance of the Village of Frankfort's Capital Projects Fund increased by \$119,894. This fund received \$1,500,000 of transferred funds based on FY17 operating results within the governmental funds. These transfers were offset by expenditures such as costs related to the Ash Tree Program, economic incentives and vehicle purchases.

Proprietary Fund. As noted earlier, the Village of Frankfort's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$10,957,613. The only major proprietary fund is the Waterworks and Sewerage Fund. Its net position increased by \$627,824. This increase will be used to pay for the Village's upcoming debt service payments related to the Waste Water Treatment Plant project.

General Fund Budgetary Highlights

There was no difference between the original budget and the final budget.

During the year, General Fund revenues were more than budgetary estimates by \$119,547 as charges for services were more than anticipated. Expenditures were less than budgeted by \$482,417, as all expenditure functions were less than expected. The fact that actual expenditures were less than expected enabled the Village to continue its policy of transferring funds to support the activity in the Garbage Disposal, Capital Fund, Vehicle Tax, Illinois Municipal Retirement, and Social Security funds. As mentioned earlier, these funds, excluding the Capital Development Fund, were incorporated into the Village's General Fund as of April 30, 2017 and therefore in the future, these transfers will no longer be necessary. The Village plans to continue its policy of transferring funds to support the activity in the Capital Development Fund.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2017, amounts to \$208,793,528 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, vehicles, equipment, and water distribution.

		Capital Assets - Net of Depreciation					
		Governmental		Business-type			
		Activities		Activities		Total	
		2017	2016	2017	2016	2017	2016
Land	\$	30,959,579	30,959,579	2,580,859	2,580,859	33,540,438	33,540,438
Construction in Progress		346,018	-	14,936,107	2,155,680	15,282,125	2,155,680
Buildings and Improvements		7,151,391	7,041,494	-	-	7,151,391	7,041,494
Infrastructure		74,394,216	74,322,276	-	-	74,394,216	74,322,276
Vehicles		1,610,869	1,604,200	627,349	784,533	2,238,218	2,388,733
Equipment		171,428	212,967	-	-	171,428	212,967
Water Distribution		-	-	76,015,712	77,982,382	76,015,712	77,982,382
Total		114,633,501	114,140,516	94,160,027	83,503,454	208,793,528	197,643,970

Major capital asset events during the fiscal year 2016-17 included the following:

- On the business-type activities side, construction in progress increased by \$12,780,427 as the Village continues construction on the largest capital improvement project in its history which is the consolidation of the waste water treatment facilities. This is multi-year project.
- On the governmental activities side, infrastructure increased by \$3,358,608 due to the Steger Road project being completed during FY 2017. Approximately \$2.6 million of this project was funded by grant dollars.

- Depreciation in the amount of \$3,904,342 was recorded for governmental activities capital assets and \$2,734,895 was recorded for business-type activities capital assets.

Additional information on the Village of Frankfort's capital assets can be found in the notes to the financial statements on pages 35 - 36 of this report.

Long-term debt

The Village of Frankfort has total outstanding debt of \$12,440,319 as of April 30, 2017. Under current Illinois Compiled Statutes, the Village's general obligation bonded debt issuances are subject to a legal limitation based on 8.625% of the total assessed value of real estate property. As of April 30, 2017, the Village's legal debt limit of \$72,593,458 was equal to the legal debt margin.

Below is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
IEPA Loans	\$ -	-	12,440,319	1,447,595	12,440,319	1,447,595

Additional information on the Village's long-term debt can be found in the notes to the financial statements on pages 37 - 39 of this report.

Economic Factors and Next Year's Budget

Sales tax and income tax both decreased in FY 2017. The first two sales tax amounts received in FY 2018 have decreased as well when compared to the same time period as last year. Income tax is expected to continue its downward trend for FY 2018 since recent legislation decreased the municipalities' share of taxes by 10% for the State's FY 2018.

General Sales and Income Taxes for the Past 5 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Sales taxes	\$6,004,269*	\$6,078,143*	\$5,797,015*	\$5,756,785	\$5,116,556
Income taxes	\$1,676,626	\$1,818,863	\$1,791,461	\$1,698,153	\$1,672,487

* Sales and use taxes were combined prior to 2015.

During FY 2017, construction began on the Waste Water Treatment Plant Project which is the largest capital improvement project in the history of the Village. This is a multi-year, \$60 million project which is necessary to meet environmental standards and to replace obsolete equipment. This project will ultimately close the North and West waste water treatment plants and upon completion will consolidate treatment operations at the Regional plant. The Village will fund the project through loans from the Illinois Environmental Protection Agency. The repayment of these loans will be paid for by current and future users of the utility system through sewer rate increases. In FY 2017, sewer rates increased by 10% to cover some of the initial costs. Effective September 1st of 2017 and 2018 sewer rates will increase

\$1.59, on both dates, to cover additional phases of the project. The early stages of the project were close to being completed at the end of FY 2017 and included the construction of the preliminary treatment building and lab and the pumping stations at the North and West plants. Recently bid documents were received for the next phase of the construction. This next phase will be the start of the largest part of the Waste Water Treatment Plant Project.

In addition to addressing the Utility improvements, the Village has recognized the need to increase the amount of funding necessary to maintain our current roadways. From 1997 to 2007, almost 352,000 lane feet of streets were added to the Village in 29 new subdivisions. These roads are in need of repairs and maintenance. Previously, the Village budgeted \$500,000 annually for road work within the Village. Due to significant growth in the late 1990's and early 2000's, that amount will no longer cover the rising costs for street maintenance. The Village has estimated that it will cost \$1.5 to \$2 million to resurface its roads each year.

To meet the funding needs for road improvements, other capital items and general operational needs, the Village discussed various expense controls and funding sources. The Village analyzed staffing in relation to quality services. Full-time employees decreased from 88 in fiscal year 2016 to 84 employees in fiscal year 2017. The Village determined that garbage collection services for its residents can no longer be funded through its existing revenue sources. Beginning in October 2017, the fees for the garbage collection services will be passed onto the residents. In addition, effective September 1, 2017, the Village will begin imposing a municipal electricity tax and a municipal gas tax.

Requests for Information

This financial report is designed to provide a general overview of the Village of Frankfort's finances for all those with an interest in the government's finances. Questions concerning any of this information provided in this report or requests for additional information should be directed to Robert Piscia, Interim Village Administrator or Jenni Booth, Finance Director, Village of Frankfort, 432 W. Nebraska Street, Frankfort, Illinois 60423.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position

April 30, 2017

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS**Statement of Net Position
April 30, 2017**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 13,052,545	11,403,348	24,455,893
Receivables - Net of Allowances	6,527,964	1,097,680	7,625,644
Due from Other Governments	-	2,758,038	2,758,038
Prepays	300,361	93,301	393,662
Total Current Assets	19,880,870	15,352,367	35,233,237
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	31,305,597	17,516,966	48,822,563
Depreciable Capital Assets	144,785,915	120,300,046	265,085,961
Accumulated Depreciation	(61,458,011)	(43,656,985)	(105,114,996)
Total Noncurrent Assets	114,633,501	94,160,027	208,793,528
Total Assets	134,514,371	109,512,394	244,026,765
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	629,567	444,996	1,074,563
Deferred Items - Police Pension	881,480	-	881,480
Total Deferred Outflows of Resources	1,511,047	444,996	1,956,043
Total Assets and Deferred Outflows of Resources	136,025,418	109,957,390	245,982,808

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 819,090	2,571,123	3,390,213
Retainage Payable	-	514,100	514,100
Accrued Payroll	214,913	77,594	292,507
Deposits Payable	478,007	-	478,007
Current Portion of Long-Term Debt	98,607	367,249	465,856
Total Current Liabilities	1,610,617	3,530,066	5,140,683
Noncurrent Liabilities			
Compensated Absences Payable	394,426	90,837	485,263
Net Pension Liability - IMRF	2,005,698	1,417,685	3,423,383
Net Pension Liability - Police	10,692,256	-	10,692,256
Net Other Post-Employment Benefit Payable	155,622	-	155,622
IEPA Loan Payable	-	12,095,779	12,095,779
Total Noncurrent Liabilities	13,248,002	13,604,301	26,852,303
Total Liabilities	14,858,619	17,134,367	31,992,986
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,659,798	-	3,659,798
Deferred Items - IMRF	206,136	145,702	351,838
Deferred Items - Police Pension	961,927	-	961,927
Total Deferred Inflows of Resources	4,827,861	145,702	4,973,563
Total Liabilities and Deferred Inflows of Resources	19,686,480	17,280,069	36,966,549
NET POSITION			
Net Investment in Capital Assets	114,633,501	81,719,708	196,353,209
Restricted			
Road Construction and Maintenance	568,666	-	568,666
Unrestricted	1,136,771	10,957,613	12,094,384
Total Net Position	116,338,938	92,677,321	209,016,259

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 2,557,616	1,533,846	11,635	11,525
Public Safety	6,360,475	560,164	-	14,898
Public Works	6,497,624	306,940	483,219	2,484,716
Solid Waste	1,417,644	274,725	-	-
Building and Community Development	1,083,800	-	-	-
Total Governmental Activities	17,917,159	2,675,675	494,854	2,511,139
Business-Type Activities				
Waterworks and Sewerage	8,209,968	8,702,382	-	55,000
Total Primary Government	26,127,127	11,378,057	494,854	2,566,139
General Revenues				
Taxes				
Property Taxes				
Intergovernmental - Unrestricted				
Sales Taxes				
Income Taxes				
Use Taxes				
Replacement Taxes				
Interest Income				
Miscellaneous				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(1,000,610)	-	(1,000,610)
(5,785,413)	-	(5,785,413)
(3,222,749)	-	(3,222,749)
(1,142,919)	-	(1,142,919)
(1,083,800)	-	(1,083,800)
(12,235,491)	-	(12,235,491)
-	547,414	547,414
(12,235,491)	547,414	(11,688,077)
3,565,618	-	3,565,618
6,004,269	-	6,004,269
1,676,626	-	1,676,626
438,441	-	438,441
63,357	-	63,357
51,246	28,803	80,049
192,360	51,607	243,967
11,991,917	80,410	12,072,327
(243,574)	627,824	384,250
116,582,512	92,049,497	208,632,009
116,338,938	92,677,321	209,016,259

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

VILLAGE OF FRANKFORT, ILLINOIS**Balance Sheet - Governmental Funds****April 30, 2017**

		Special	
	General	Police Protection	Street and Bridge
ASSETS			
Cash and Investments	\$ 3,987,552	-	-
Receivables - Net of Allowances			
Property Taxes	3,648,391	-	-
Other Taxes	1,590,621	-	-
Accounts	732,114	-	-
Accrued Interest	-	-	-
Due from Other Governments	-	-	-
Prepays	300,361	-	-
Total Assets	10,259,039	-	-
LIABILITIES			
Accounts Payable	139,310	-	-
Accrued Payroll	214,913	-	-
Deposits Payable	153,750	-	-
Total Liabilities	507,973	-	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,648,391	-	-
Total Liabilities and Deferred Inflows of Resources	4,156,364	-	-
FUND BALANCES			
Nonspendable	300,361	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	5,802,314	-	-
Total Fund Balances	6,102,675	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	10,259,039	-	-

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

Revenue		Capital Projects		
Garbage Disposal	Motor Fuel Tax	Capital Development	Nonmajor	Totals
-	556,595	8,508,398	-	13,052,545
-	-	11,407	-	3,659,798
-	-	-	-	1,590,621
-	-	147,160	-	879,274
-	-	514	-	514
-	390,845	6,912	-	397,757
-	-	-	-	300,361
-	947,440	8,674,391	-	19,880,870
-	378,774	301,006	-	819,090
-	-	-	-	214,913
-	-	324,257	-	478,007
-	378,774	625,263	-	1,512,010
-	-	11,407	-	3,659,798
-	378,774	636,670	-	5,171,808
-	-	-	-	300,361
-	568,666	-	-	568,666
-	-	8,037,721	-	8,037,721
-	-	-	-	5,802,314
-	568,666	8,037,721	-	14,709,062
-	947,440	8,674,391	-	19,880,870

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

VILLAGE OF FRANKFORT, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2017

Total Governmental Fund Balances	\$ 14,709,062
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.	114,633,501
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	423,431
Deferred Items - Police Pension	(80,447)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(493,033)
Net Pension Liability - IMRF	(2,005,698)
Net Pension Liability - Police	(10,692,256)
Net Other Post-Employment Benefit Obligation Payable	<u>(155,622)</u>
Net Position of Governmental Activities	<u>116,338,938</u>

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

VILLAGE OF FRANKFORT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2017**

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2017

		Special	
	General	Police Protection	Street and Bridge
Revenues			
Taxes	\$ 49,932	2,087,274	825,882
Intergovernmental	2,439,864	3,747,495	2,010,232
Charges for Services	132,403	327,712	158,814
Licenses and Permits	1,398,893	78,097	-
Fines and Forfeitures	2,550	154,355	-
Interest	7,808	9,572	5,167
Miscellaneous	121,274	22,870	24,790
Total Revenues	4,152,724	6,427,375	3,024,885
Expenditures			
Current			
General Government	1,071,960	-	-
Public Safety	-	5,635,562	-
Public Works	-	-	2,653,448
Solid Waste	-	-	-
Building and Community Development	917,148	-	-
Capital Outlay	-	34,990	-
Total Expenditures	1,989,108	5,670,552	2,653,448
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,163,616	756,823	371,437
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	9,191	3,350
Transfers In	4,466,970	-	-
Transfers Out	(1,963,000)	(3,108,793)	(1,564,659)
	2,503,970	(3,099,602)	(1,561,309)
Net Change in Fund Balances	4,667,586	(2,342,779)	(1,189,872)
Fund Balances - Beginning	1,435,089	2,342,779	1,189,872
Fund Balances - Ending	6,102,675	-	-

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

Revenue		Capital Projects		
Garbage Disposal	Motor Fuel Tax	Capital Development	Nonmajor	Totals
176,367	-	11,407	414,756	3,565,618
-	706,972	23,160	-	8,927,723
274,725	-	146,958	-	1,040,612
-	-	-	1,168	1,478,158
-	-	-	-	156,905
453	3,575	24,046	625	51,246
-	-	23,426	-	192,360
451,545	710,547	228,997	416,549	15,412,622
-	-	-	107,616	1,179,576
-	-	-	278,482	5,914,044
-	461,700	1,500	231,335	3,347,983
1,417,644	-	-	-	1,417,644
-	-	-	90,917	1,008,065
-	943,102	1,607,603	-	2,585,695
1,417,644	1,404,802	1,609,103	708,350	15,453,007
(966,099)	(694,255)	(1,380,106)	(291,801)	(40,385)
-	-	-	-	12,541
989,000	-	1,500,000	346,000	7,301,970
(421,290)	-	-	(244,228)	(7,301,970)
567,710	-	1,500,000	101,772	12,541
(398,389)	(694,255)	119,894	(190,029)	(27,844)
398,389	1,262,921	7,917,827	190,029	14,736,906
-	568,666	8,037,721	-	14,709,062

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

VILLAGE OF FRANKFORT, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ (27,844)
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	2,145,692
Capital Contribution	2,260,963
Depreciation Expense	(3,904,342)
Disposals - Cost	(97,712)
Disposals - Accumulated Depreciation	88,384

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	(147,296)
Change in Deferred Items - Police Pension	(1,093,668)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Additions in Compensated Absences Payable	(30,630)
Additions to Net Pension Liability - IMRF	(277,376)
Deductions to Net Pension Liability - Police	850,618
Additions to Net Other Post-Employment Benefit Obligation Payable	<u>(10,363)</u>

Changes in Net Position of Governmental Activities	<u>(243,574)</u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2017

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position - Proprietary Fund

April 30, 2017

	<u>Business-Type Activities Waterworks and Sewerage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 11,403,348
Receivables - Net of Allowances	
Accounts	1,097,446
Accrued Interest	234
Due from Other Governments	2,758,038
Prepays	<u>93,301</u>
Total Current Assets	<u>15,352,367</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	17,516,966
Depreciable Capital Assets	120,300,046
Accumulated Depreciation	<u>(43,656,985)</u>
Total Noncurrent Assets	<u>94,160,027</u>
Total Assets	<u>109,512,394</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>444,996</u>
Total Assets and Deferred Outflows of Resources	<u>109,957,390</u>

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

	Business-Type Activities <u>Waterworks and Sewerage</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 2,571,123
Retainage Payable	514,100
Accrued Payroll	77,594
Current Portion of Long-Term Debt	<u>367,249</u>
Total Current Liabilities	<u>3,530,066</u>
Noncurrent Liabilities	
Compensated Absences Payable	90,837
Net Pension Liability - IMRF	1,417,685
IEPA Loans Payable	<u>12,095,779</u>
Total Noncurrent Liabilities	<u>13,604,301</u>
Total Liabilities	17,134,367
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>145,702</u>
Total Liabilities and Deferred Inflows of Resources	<u>17,280,069</u>
NET POSITION	
Net Investment in Capital Assets	81,719,708
Unrestricted	<u>10,957,613</u>
Total Net Position	<u><u>92,677,321</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund For the Fiscal Year Ended April 30, 2017

	Business-Type Activities <u>Waterworks and Sewerage</u>
Operating Revenues	
Charges for Services	<u>\$ 8,702,382</u>
Operating Expenses	
Personnel	2,208,605
Contractual Services	2,541,873
Commodities	657,115
Capital Improvements	60,590
Miscellaneous	6,890
Depreciation	<u>2,734,895</u>
Total Operating Expenses	<u>8,209,968</u>
Operating Income	<u>492,414</u>
Nonoperating Revenues	
Other Income	51,607
Interest Income	<u>28,803</u>
	<u>80,410</u>
Income Before Contributions	572,824
Capital Contributions	<u>55,000</u>
Change in Net Position	627,824
Net Position - Beginning	<u>92,049,497</u>
Net Position - Ending	<u><u>92,677,321</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Cash Flows - Proprietary Fund For the Fiscal Year Ended April 30, 2017

	Business-Type Activities <u>Waterworks and Sewerage</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 8,230,247
Payments to Employees	(1,718,603)
Payments to Suppliers	(1,181,105)
	<u>5,330,539</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(13,336,468)
Debt Issuance	11,089,230
Less IEPA Loan Receivable	(2,758,038)
Payment of Loan Principal	(96,506)
	<u>(5,101,782)</u>
Cash Flows from Investing Activities	
Interest Received	<u>28,803</u>
Net Change in Cash and Cash Equivalents	257,560
Cash and Cash Equivalents - Beginning	<u>11,145,788</u>
Cash and Cash Equivalents - Ending	<u><u>11,403,348</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income	492,414
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used In) Operating Activities:	
Depreciation	2,734,895
Other Income/Expense	(272,955)
(Increase) Decrease in Current Assets	(199,180)
Increase (Decrease) in Current Liabilities	<u>2,575,365</u>
Net Cash Provided by Operating Activities	<u><u>5,330,539</u></u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u><u>55,000</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Fiduciary Net Position April 30, 2017

	Pension Trust Police Pension
ASSETS	
Cash and Cash Equivalents	\$ 379,886
Investments	
U.S. Agency Obligations	2,429,496
Corporate Bonds	2,675,299
Mutual Funds	6,839,305
Receivables - Net of Allowances	
Accrued Interest	31,651
Prepays	6,141
Total Assets	12,361,778
LIABILITIES	
Accounts Payable	5,825
NET POSITION	
Restricted for Pensions	12,355,953

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2017

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 890,526
Contributions - Plan Members	248,346
Total Contributions	<u>1,138,872</u>
Investment Income	
Interest Earned	313,302
Net Change in Fair Value	696,056
	<u>1,009,358</u>
Less Investment Expenses	<u>(33,812)</u>
Net Investment Income	<u>975,546</u>
Total Additions	<u>2,114,418</u>
Deductions	
Administration	30,859
Benefits and Refunds	<u>624,992</u>
Total Deductions	<u>655,851</u>
Change in Fiduciary Net Position	1,458,567
Net Position Restricted for Pensions	
Beginning	<u>10,897,386</u>
Ending	<u><u>12,355,953</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Frankfort (the Village), Illinois, a non-home rule village, was founded in 1855. The Village Board is comprised of the Mayor and six trustees which form the legislative branch of the Village. The financial statements of the Village include all operations of the Village. The Village provides a wide range of general municipal services, including police protection, crime prevention, community planning and zoning, building inspection and safety, street building and maintenance, traffic control, street lighting, storm water control and solid waste disposal service. In addition, water and sewer services are provided under an enterprise fund concept, with user charges set by the Village Board to ensure adequate coverage of operating expenses and payments on outstanding debt.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Frankfort
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendments of GASB Statement No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a six-member pension board. The Village Treasurer, two appointed community members, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels.

Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police protection, crime prevention, community planning and zoning, building inspection and safety, street building and maintenance, traffic control, animal control, street lighting, storm water control and solid waste disposal service, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, solid waste, building and community development, etc.). The functions are supported by general government revenues (property, sales, income and replacement taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.). The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund. This government-wide focus concentrates on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains seven special revenue funds. The Police Protection Fund, a major fund, is used to account for the financial resources related to providing police protection and related services to the Village residents. This fund includes property taxes levied for police protection. The Street and Bridge Fund, a major fund, is used to account for the financial resources related to maintaining the roadways of the Village. This fund includes property taxes levied for street and bridge maintenance. The Garbage Disposal Fund, a major fund, is used to account for the financial resources related to providing solid waste disposal services to the Village residents. This fund includes property taxes levied for garbage disposal. The Motor Fuel Tax Fund, a major fund, is used to account for the financial resources related to maintaining highways and streets throughout the Village. This fund includes motor fuel allotments. At the end of the fiscal year, the Police Protection Fund, the Street and Bridge Fund, the Garbage Disposal Fund, the Vehicle Tax Fund, the Illinois Municipal Retirement Fund, and the Social Security Fund were closed into the General Fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one capital projects fund. The Capital Development Fund, a major fund, is used to account for financial resources earmarked or segregated for the acquisition or construction of capital assets, except those financed and accounted for in other funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Waterworks and Sewerage Fund is used to account for the provision of water and sewer services to the residents of the Village and the sale of water to various other municipalities. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the Village's contribution and investment income.

The Village's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village’s investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report waterworks and sewerage charges as their major receivables.

Capital Assets

Capital assets purchased or acquired with an original cost of \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	5 - 100 Years
Vehicles and Equipment	5 - 15 Years
Infrastructure – Bridges and Roads	20 - 50 Years
Infrastructure – Water and Sewer	50 - 100 Years

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Annual appropriations ordinance (budget) is adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds. The budget appropriations lapse at the end of each fiscal year. The Village does not utilize an encumbrance system. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Village Board adopts an Appropriations Ordinance which includes a budget for all funds utilized by the Village. This ordinance serves an appropriation authorization.
- Public budget hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance. The budget for the period May 1, 2016 to April 30, 2017 was adopted through the passage of ordinance number 3037 on July 5, 2016.
- The Village Administrator is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Village Board.
- Budgets are adopted on the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for enterprise and fiduciary funds. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund. Appropriations lapse at the end of the fiscal year.
- Budgeted amounts are as originally adopted by the Village Board.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by some of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, and the Illinois Metropolitan Investment Fund.

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$3,141,946 and the bank balances totaled \$4,249,566. The Village also has \$13,326,212 invested in the Illinois Funds with an average maturity of less than one year and \$7,987,735 invested in Illinois Metropolitan Investment Trust with an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village manages its exposure to declines in fair value by diversification of investments and maturities.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment program is derived from the terms and provisions of the Illinois Compiled Statutes Public Funds Investment Act (30 ILCS 235) which allows investment in instruments of the United States of America or its agencies, money market mutual funds with a minimum AA rating by at least two of the three largest credit rating agencies, public treasurer's investment pool, and commercial paper with one of the three highest classifications by at least two of the three standard credit rating agencies. Commercial paper cannot exceed 180 days in maturity, 10% of the total outstanding paper of the issuing corporation, or one-third of the cost of the portfolio. The Village's investment in the Illinois Funds was rated AAAm by Standard & Poor's. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated AAAf by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy protects the Village from custodial credit risk by requiring funds on deposit (checking accounts, certificates of deposit, etc.), in excess of FDIC limits, to be secured by some form of collateral, witnessed by written agreement and held at an independent, third party institution in the name of the Village and requires the amount of collateral provided to be at a minimum of 110% of the fair value of the principal and accrued interest. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk – Continued. For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. The Village's investment in the Illinois Funds and IMET are not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment provides that no more than 65% of the Village's portfolio will be invested in a single security type and no more than 50% will be invested in a single financial institution. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$379,886 and the bank balances totaled \$380,802.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agencies	\$ 2,429,496	644,282	1,694,846	90,368	-
Corporate Bonds	2,675,299	74,900	1,457,300	1,066,400	76,699
	5,104,795	719,182	3,152,146	1,156,768	76,699

The Fund has the following recurring fair value measurements as of April 30, 2017:

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments by Fair Value Level	April 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Agencies	\$ 2,429,496	-	2,429,496	-
Corporate Bonds	2,675,299	-	2,675,299	-
Equity Securities				
Mutual Funds	6,839,305	6,839,305	-	-
Total Investments by Fair Value Level	11,944,100	6,839,305	5,104,795	-

Interest Rate Risk. The Fund's investment policy requires an investment time horizon in excess of five years be used, thereby, allowing the Fund to tolerate moderate interim fluctuations in fair value and rates in order to achieve its long-term objectives.

Credit Risk. The Village's investment program is derived from the terms and provisions of the Illinois Compiled Statutes Public Funds Investment Act (40 ILCS 1/5-113) which allows investment in instruments of the United States of America or its agencies, savings accounts, certificates of deposits, public treasurer's investment pool, interest bearing bonds of any county, township or municipal corporation, money market mutual funds, certain short-term obligations of U.S. corporations, common stocks, and general or separate accounts of life insurance companies authorized to transact business in Illinois. At year-end, the Fund's investments in U.S. Agency securities were all rated AA+ by Standard & Poor's and the Corporate Bonds were rated A- through AAA by Standard & Poor's

Custodial Credit Risk. For deposits, the Fund's investment policy does not address custodial credit risk. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For investments, custodial credit risk is not specifically defined in the Fund's investment policy.

Concentration Risk. The Fund's investment policy states that the Fund's total investment in authorized items is not allowed to exceed 35% of the market value of the net present assets reported in its most recent annual report. Investment in the common stock of any one corporation is limited to 5% and insurance contracts may not exceed 10% of the market value of the Fund. At year-end the Fund is in compliance with its investment policy. In addition to the securities and fair values listed above, the Fund also has \$6,839,305 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	43.00%	2.28%
Domestic Equities	10.00% - 37.00%	0.83% - 3.03%
International Equities	5.00%	0.24%
Real Estate	3.00%	0.32%
Cash and Cash Equivalents	2.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Will/Cook County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 30,959,579	-	-	30,959,579
Construction in Progress	-	346,018	-	346,018
	<u>30,959,579</u>	<u>346,018</u>	<u>-</u>	<u>31,305,597</u>
Depreciable Capital Assets				
Buildings and Improvements	9,083,875	357,567	-	9,441,442
Vehicles	3,516,247	298,344	97,712	3,716,879
Equipment	1,598,260	46,118	-	1,644,378
Infrastructure	126,624,608	3,358,608	-	129,983,216
	<u>140,822,990</u>	<u>4,060,637</u>	<u>97,712</u>	<u>144,785,915</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,042,381	247,670	-	2,290,051
Vehicles	1,912,047	282,347	88,384	2,106,010
Equipment	1,385,293	87,657	-	1,472,950
Infrastructure	52,302,332	3,286,668	-	55,589,000
	<u>57,642,053</u>	<u>3,904,342</u>	<u>88,384</u>	<u>61,458,011</u>
Total Depreciable Capital Assets	<u>83,180,937</u>	<u>156,295</u>	<u>9,328</u>	<u>83,327,904</u>
Total Capital Assets	<u>114,140,516</u>	<u>502,313</u>	<u>9,328</u>	<u>114,633,501</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 110,218
Public Safety	237,682
Public Works	3,480,707
Building and Community Development	<u>75,735</u>
	<u>3,904,342</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,580,859	-	-	2,580,859
Construction in Progress	2,155,680	12,780,427	-	14,936,107
	<u>4,736,539</u>	<u>12,780,427</u>	<u>-</u>	<u>17,516,966</u>
Depreciable Capital Assets				
Vehicles	1,571,668	-	-	1,571,668
Water Distribution, Storm, and Sanitary System	118,117,337	611,041	-	118,728,378
	<u>119,689,005</u>	<u>611,041</u>	<u>-</u>	<u>120,300,046</u>
Less Accumulated Depreciation				
Vehicles	787,135	157,184	-	944,319
Water Distribution, Storm, and Sanitary System	40,134,955	2,577,711	-	42,712,666
	<u>40,922,090</u>	<u>2,734,895</u>	<u>-</u>	<u>43,656,985</u>
Total Depreciable Capital Assets	<u>78,766,915</u>	<u>(2,123,854)</u>	<u>-</u>	<u>76,643,061</u>
Total Capital Assets	<u>83,503,454</u>	<u>10,656,573</u>	<u>-</u>	<u>94,160,027</u>

Depreciation expense was charged to business-type activities as follows:

Waterworks and Sewerage	<u>\$ 2,734,895</u>
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VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Police Protection	\$ 2,548,793 (1)
General	Street and Bridge	1,252,659 (1)
General	Garbage Disposal	421,290 (1)
General	Nonmajor Governmental	244,228 (1)
Garbage Disposal	General	989,000 (2)
Capital Development	General	628,000 (2)
Capital Development	Police Protection	560,000 (1)
Capital Development	Street and Bridge	312,000 (1)
Nonmajor Governmental	General	<u>346,000 (2)</u>
		<u><u>7,301,970</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Village transferred the remaining fund balance in the Police Protection, the Street and Bridge, the Garbage Disposal, the Vehicle Tax, the Illinois Municipal Retirement, and the Social Security Funds to the General Fund as of April 30, 2017.

LONG-TERM DEBT

IEPA Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. Final repayment schedule for the IEPA Loan Payable of 2016 is not available at the time of the issuance of this report. IEPA loans currently outstanding are as follows:

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) (L17-3468) Loan of 2011 - Due in annual installments of \$96,506 non-interest bearing through February 6, 2031.	Waterworks and Sewerage	\$ 1,447,595	-	96,506	1,351,089

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loans Payable – Continued

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016 - Due in annual installments plus interest at 1.86% through May 15, 2037.	Waterworks and Sewerage	\$ -	11,089,230	-	11,089,230
		1,447,595	11,089,230	96,506	12,440,319

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 462,403	61,260	30,630	493,033	98,607
Net Pension Liability					
IMRF	1,728,322	277,376	-	2,005,698	-
Police Pension	11,542,874	-	850,618	10,692,256	-
Net Other Post-Employment Benefit Obligation	145,259	10,363	-	155,622	-
	13,878,858	348,999	881,248	13,346,609	98,607
Business-Type Activities					
Compensated Absences	106,898	13,296	6,648	113,546	22,709
Net Pension Liability					
IMRF	2,154,369	-	736,684	1,417,685	-
IEPA Loans Payable	1,447,595	11,089,230	96,506	12,440,319	344,540
	3,708,862	11,102,526	839,838	13,971,550	367,249

For governmental activities, the General Fund makes payments on the compensated, the net pension liability, and the net other post-employment benefit obligation.

For business-type activities, the Waterworks and Sewerage Fund makes payments on the compensated absences, the net pension liability, and the IEPA loans payable.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2016	<u>\$ 841,663,276</u>
Legal Debt Limit - 8.625% of Assessed Value	72,593,458
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>72,593,458</u>

Debt Service Requirements to Maturity

Final repayment schedule for the IEPA Loan Payable of 2016 is not available at the time of the issuance of this report. The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	<u>Business-Type Activities</u>	
	<u>IEPA</u>	
	<u>Loan Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 96,506	-
2019	96,506	-
2020	96,506	-
2021	96,506	-
2022	96,506	-
2023	96,506	-
2024	96,506	-
2025	96,506	-
2026	96,506	-
2027	96,506	-
2028	96,506	-
2029	96,506	-
2030	96,506	-
2031	96,511	-
Totals	<u>1,351,089</u>	<u>-</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/ NET POSITION

Fund Balance Classifications

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Assigned Fund Balance. The Village reports assigned fund balance in the Capital Development Fund, a major fund. The Village's Board/management has given authority to the Village Administrator through the Village's budget policy, to assign these funds to future improvement projects and equipment purchases based on approved Board/management expenditures as determined through the annual budget process.

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum fund balance equal to 20% to 25% of budgeted operating expenditures or to keep an equivalent amount in the Capital Development Fund.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue					Capital Projects		
	General	Police Protection	Street and Bridge	Garbage Disposal	Motor Fuel Tax	Capital Development	Nonmajor	Totals
Fund Balances								
Nonspendable								
Prepays	\$ 300,361	-	-	-	-	-	-	300,361
Restricted								
Motor Fuel Taxes								
Road Construction and Maintenance	-	-	-	-	568,666	-	-	568,666
Assigned								
Capital Projects	-	-	-	-	-	8,037,721	-	8,037,721
Unassigned	5,802,314	-	-	-	-	-	-	5,802,314
Total Fund Balances	6,102,675	-	-	-	568,666	8,037,721	-	14,709,062

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/ NET POSITION – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 114,633,501</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	94,160,027
Less Capital Related Debt:	
IEPA Loan Payable of 2011	(1,351,089)
IEPA Loan Payable of 2016	<u>(11,089,230)</u>
Net Investment in Capital Assets	<u>81,719,708</u>

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. In response to this exposure the Village has become a member of Southwest agency for Risk Management (SWARM) which is a risk management cooperative unit of government with eight member groups (villages and cities) that provides general liability insurance coverage. SWARM is self-sustaining through annual insurance premiums paid by its member groups. Excess claims are reinsured through commercial insurance. Any deficiencies incurred by SWARM in excess of reinsurance will be the responsibility of the members. Settled risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SALES TAX REBATE

The Village has entered into various tax rebate agreements with local corporations under Village code. Under these agreements, the Village rebates a portion of sales taxes. For the fiscal year ended April 30, 2017, the Village rebated a total of \$201,738 in taxes under these agreements.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material, adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

JOINT VENTURE

Lincoln-Way Public Safety Communications Center

The Village is a member of the Lincoln-Way Public Safety Communications Center (the Center) which consists of three municipalities and five fire protection districts. The Center is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). The Center is empowered under the Act to provide a centralized public safety and emergency communications system to support the needs of all members.

The Center is governed by a five-member Board of Directors (the Board), which consists of an appointed trustee from the Village of Frankfort, Village of New Lenox, Village of Mokena and two of the five Fire Districts. The Board makes all final decisions with regard to the administration of the Center and employees, including, but not limited to, the hiring and discharge of the employees, salaries, schedules, and purchase of equipment. Separate audited financial statements are available at 11000 W Lincoln Hwy, Frankfort, IL 60423.

In accordance with the intergovernmental agreement, the Village remitted \$330,117 to the Center for the year ended April 30, 2017, which is recorded in the Village's Police Protection Fund.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; and the Police Pension Plan, which is a single-employer, pension plan. A copy of the Police Pension Plan report may be obtained by writing to the Village at 432 West Nebraska Street, Frankfort, Illinois 60423. IMRF also issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. 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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. 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.

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	43
Active Plan Members	<u>72</u>
Total	<u>158</u>

Contributions. As set by statute, the Village'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 Village's annual contribution rate for calendar year 2016 was 13.09% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% and the discount rate in the prior valuation was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 6,275,201	3,423,383	1,105,789

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 18,826,896	14,944,205	3,882,691
Changes for the Year:			
Service Cost	423,576	-	423,576
Interest on the Total Pension Liability	1,398,709	-	1,398,709
Difference Between Expected and Actual Experience of the Total Pension Liability	(382,241)	-	(382,241)
Changes of Assumptions	(52,563)	-	(52,563)
Contributions - Employer	-	529,899	(529,899)
Contributions - Employees	-	182,166	(182,166)
Net Investment Income	-	1,038,444	(1,038,444)
Benefit Payments, including Refunds of Employee Contributions	(678,727)	(678,727)	-
Other (Net Transfer)	-	96,280	(96,280)
Net Changes	708,754	1,168,062	(459,308)
Balances at December 31, 2016	19,535,650	16,112,267	3,423,383

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2017, the Village recognized pension expense of \$627,590. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 208,487	(309,305)	(100,818)
Change in Assumptions	15,902	(42,533)	(26,631)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	694,246	-	694,246
Total Pension Expense to be Recognized in Future Periods	918,635	(351,838)	566,797
Pension Contributions Made Subsequent to the Measurement Date	155,928	-	155,928
Total Deferred Amounts Related to IMRF	1,074,563	(351,838)	722,725

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2018	\$ 210,167
2019	210,167
2020	210,168
2021	(43,731)
2022	(19,974)
Thereafter	-
Total	566,797

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>26</u>
Total	<u><u>40</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 36.46% of covered payroll.

Concentrations. At year-end, the Pension Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	4.00% - 24.32%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the assumption study prepared by the independent actuary in 2017. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 14,868,062	10,692,256	7,366,235

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 22,440,260	10,897,386	11,542,874
Changes for the Year:			
Service Cost	549,990	-	549,990
Interest on the Total Pension Liability	1,491,865	-	1,491,865
Difference Between Expected and Actual Experience of the Total Pension Liability	(808,914)	-	(808,914)
Changes of Assumptions	-	-	-
Contributions - Employer	-	890,526	(890,526)
Contributions - Employees	-	248,346	(248,346)
Net Investment Income	-	975,546	(975,546)
Benefit Payments, including Refunds of Employee Contributions	(624,992)	(624,992)	-
Administrative Expense	-	(30,859)	30,859
Net Changes	607,949	1,458,567	(850,618)
Balances at April 30, 2017	23,048,209	12,355,953	10,692,256

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2017, the Village recognized pension expense of \$1,133,576. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 340,029	(700,415)	(360,386)
Change in Assumptions	-	(82,575)	(82,575)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	541,451	(178,937)	362,514
Total Deferred Amounts Related to Police Pension	881,480	(961,927)	(80,447)

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2018	\$ 61,083
2019	61,083
2020	61,082
2021	(119,401)
2022	(74,668)
Thereafter	(69,626)
Total	(80,447)

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through the Health Insurance Plan for Retired Employees (HIPRE), a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Village does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides limited health care insurance coverage of its eligible retired employees. Such coverage is provided for retired employees until they reach age 65. Retired employees are required to pay 100% of the premiums for such coverage.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2017, retirees contributed \$60,446. Active employees do not contribute to the plan until retirement.

At April 30, 2015, the date of the most recent actuarial report, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	13
Active Employees	<u>84</u>
Total	<u>97</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2017, was calculated as follows:

Annual Required Contribution (ARC)	\$ 73,230
Interest on the NOPEBO	5,810
Adjustment to the ARC	<u>(8,401)</u>
Annual OPEB Cost	70,639
Actual Contribution	<u>60,276</u>
Change in the NOPEBO	10,363
NOPEBO - Beginning	<u>145,259</u>
NOPEBO - Ending	<u><u>155,622</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 65,108	\$ 62,764	96.40%	\$ 147,977
2016	67,775	70,493	104.01%	145,259
2017	70,639	60,276	85.33%	155,622

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2015, the date of the most recent actuarial repost, was as follows:

Actuarial Accrued Liability (AAL)	\$ 871,793
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 871,793
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 5,730,518
UAAL as a Percentage of Covered Payroll	15.21%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2015 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (including a 3.00% inflation assumption) and an annual healthcare cost trend rate of 7.90%, with an ultimate rate of 5.00%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
Health Insurance Plan for Retired Employees
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
Police Pension Fund
- Schedule of Investment Returns
Police Pension Fund
- Budgetary Comparison Schedule
General Fund
Police Protection – Special Revenue Fund
Street and Bridge – Special Revenue Fund
Garbage Disposal – Special Revenue Fund
Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF FRANKFORT, ILLINOIS

Health Insurance Plan for Retired Employees

Required Supplementary Information Schedule of Funding Progress and Employer Contributions April 30, 2017

Funding Progress

Actuarial Valuation Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2012	\$ -	\$ 1,082,581	0.00%	\$ 1,082,581	\$ 3,014,645	35.91%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	871,793	0.00%	871,793	5,730,518	15.21%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2012	\$ 16,496	\$ 29,525	55.87%
2013	16,498	59,409	27.77%
2014	15,179	59,409	25.55%
2015	62,764	67,705	92.70%
2016	70,493	70,413	100.11%
2017	60,276	73,230	82.31%

The Village is required to have an actuarial valuation performed triennially.

N/A - Not Available

VILLAGE OF FRANKFORT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 491,836	\$ 491,836	\$ -	\$ 3,963,215	12.41%
2017	529,899	529,899	-	4,048,131	13.09%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMFR specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 776,067	\$ 774,820	\$ (1,247)	\$ 2,252,880	34.39%
2016	833,060	836,569	3,509	2,524,246	33.14%
2017	892,667	890,526	(2,141)	2,442,326	36.46%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	4.00-24.32%
Investment Rate of Return	6.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP2014 base rates with blue collar adjustments projected to 2017 with scale MP2014

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF FRANKFORT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2017

	12/31/15	12/31/16
Total Pension Liability		
Service Cost	\$ 406,401	423,576
Interest	1,294,590	1,398,709
Differences Between Expected and Actual Experience	333,983	(382,241)
Change of Assumptions	25,474	(52,563)
Benefit Payments, Including Refunds of Member Contributions	(629,201)	(678,727)
Net Change in Total Pension Liability	1,431,247	708,754
Total Pension Liability - Beginning	17,395,649	18,826,896
Total Pension Liability - Ending	18,826,896	19,535,650
Plan Fiduciary Net Position		
Contributions - Employer	\$ 491,836	529,899
Contributions - Members	178,345	182,166
Net Investment Income	74,449	1,038,444
Benefit Payments, Including Refunds of Member Contributions	(629,201)	(678,727)
Administrative Expense	(40,531)	96,280
Net Change in Plan Fiduciary Net Position	74,898	1,168,062
Plan Net Position - Beginning	14,869,307	14,944,205
Plan Net Position - Ending	14,944,205	16,112,267
Employer's Net Pension Obligation	\$ 3,882,691	3,423,383
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.38%	82.48%
Covered-Employee Payroll	\$ 3,963,215	4,048,131
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	97.97%	84.57%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2017

	4/30/15	4/30/16	4/30/17
Total Pension Liability			
Service Cost	\$ 517,324	515,213	549,990
Interest	1,343,788	1,384,020	1,491,865
Differences Between Expected and Actual Experience	-	429,395	(808,914)
Change of Assumptions	-	(104,277)	-
Benefit Payments, Including Refunds of Member Contributions	(531,926)	(576,191)	(624,992)
Net Change in Total Pension Liability	1,329,186	1,648,160	607,949
Total Pension Liability - Beginning	19,462,914	20,792,100	22,440,260
Total Pension Liability - Ending	20,792,100	22,440,260	23,048,209
Plan Fiduciary Net Position			
Contributions - Employer	\$ 774,820	836,569	890,526
Contributions - Members	228,686	253,766	248,346
Net Investment Income	678,031	(171,522)	975,546
Benefit Payments, Including Refunds of Member Contributions	(531,926)	(576,191)	(624,992)
Administrative Expense	(29,442)	(27,663)	(30,859)
Net Change in Plan Fiduciary Net Position	1,120,169	314,959	1,458,567
Plan Net Position - Beginning	9,462,258	10,582,427	10,897,386
Plan Net Position - Ending	10,582,427	10,897,386	12,355,953
Employer's Net Pension Liability	\$ 10,209,673	11,542,874	10,692,256
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.90%	48.56%	53.61%
Covered-Employee Payroll	\$ 2,252,880	2,524,246	2,442,326
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	453.18%	457.28%	437.79%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2017

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.79%
2016	(1.48%)
2017	8.80%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 50,000	50,000	49,932
Intergovernmental			
State Sales	2,000,000	2,000,000	2,001,423
State Use	417,877	417,877	438,441
Charges for Services	51,000	51,000	132,403
Licenses and Permits	1,427,200	1,427,200	1,398,893
Fines and Forfeitures	4,500	4,500	2,550
Interest	1,200	1,200	7,808
Miscellaneous	81,400	81,400	121,274
Total Revenues	4,033,177	4,033,177	4,152,724
Expenditures			
General Government	1,314,175	1,314,175	1,071,960
Building and Community Development	1,156,850	1,156,850	917,148
Capital Outlay	500	500	-
Total Expenditures	2,471,525	2,471,525	1,989,108
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,561,652	1,561,652	2,163,616
Other Financing Sources (Uses)			
Transfers In	-	-	4,466,970
Transfers Out	(1,561,000)	(1,561,000)	(1,963,000)
	(1,561,000)	(1,561,000)	2,503,970
Net Change in Fund Balance	652	652	4,667,586
Fund Balance - Beginning			1,435,089
Fund Balance - Ending			6,102,675

VILLAGE OF FRANKFORT, ILLINOIS

Police Protection - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,092,667	2,092,667	2,087,274
Intergovernmental			
State Sales	2,000,000	2,000,000	2,001,423
State Income	1,813,764	1,813,764	1,676,626
Replacement	45,000	45,000	54,548
Grants	20,000	20,000	14,898
Charges for Services	238,310	238,310	327,712
Licenses and Permits	65,100	65,100	78,097
Fines and Forfeitures	195,500	195,500	154,355
Interest	1,000	1,000	9,572
Miscellaneous	30,000	30,000	22,870
Total Revenues	6,501,341	6,501,341	6,427,375
Expenditures			
Public Safety	6,089,778	6,089,778	5,635,562
Capital Outlay	20,000	20,000	34,990
Total Expenditures	6,109,778	6,109,778	5,670,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	391,563	391,563	756,823
Other Financing Sources (Uses)			
Disposal of Capital Assets	5,000	5,000	9,191
Transfers Out	(396,000)	(396,000)	(3,108,793)
	(391,000)	(391,000)	(3,099,602)
Net Change in Fund Balance	563	563	(2,342,779)
Fund Balance - Beginning			2,342,779
Fund Balance - Ending			-

VILLAGE OF FRANKFORT, ILLINOIS

Street and Bridge - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 840,000	840,000	825,882
Intergovernmental			
State Sales	2,000,000	2,000,000	2,001,423
Replacement	8,400	8,400	8,809
Charges for Services	116,690	116,690	158,814
Interest	700	700	5,167
Miscellaneous	3,500	3,500	24,790
Total Revenues	2,969,290	2,969,290	3,024,885
Expenditures			
Public Works	2,861,350	2,861,350	2,653,448
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,940	107,940	371,437
Other Financing Sources (Uses)			
Disposal of Capital Assets	5,000	5,000	3,350
Transfers Out	(112,000)	(112,000)	(1,564,659)
	(107,000)	(107,000)	(1,561,309)
Net Change in Fund Balance	940	940	(1,189,872)
Fund Balance - Beginning			1,189,872
Fund Balance - Ending			-

VILLAGE OF FRANKFORT, ILLINOIS

Garbage Disposal - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 176,859	176,859	176,367
Charges for Services	267,500	267,500	274,725
Interest	75	75	453
Total Revenues	444,434	444,434	451,545
Expenditures			
Solid Waste	1,433,000	1,433,000	1,417,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	(988,566)	(988,566)	(966,099)
Other Financing Sources (Uses)			
Transfers In	989,000	989,000	989,000
Transfers Out	-	-	(421,290)
	989,000	989,000	567,710
Net Change in Fund Balance	434	434	(398,389)
Fund Balance - Beginning			398,389
Fund Balance - Ending			-

VILLAGE OF FRANKFORT, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 460,554	460,554	483,219
Grants	140,110	140,110	223,753
Interest	600	600	3,575
Total Revenues	<u>601,264</u>	<u>601,264</u>	<u>710,547</u>
Expenditures			
Public Works	550,000	550,000	461,700
Capital Outlay	<u>1,427,627</u>	<u>1,427,627</u>	<u>943,102</u>
Total Expenditures	<u>1,977,627</u>	<u>1,977,627</u>	<u>1,404,802</u>
Net Change in Fund Balance	<u>(1,376,363)</u>	<u>(1,376,363)</u>	(694,255)
Fund Balance - Beginning			<u>1,262,921</u>
Fund Balance - Ending			<u>568,666</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Fund
- Budgetary Comparison Schedules – Pension Trust Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are created to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted for specified purposes.

Police Protection Fund

The Police Protection Fund is used to account for the financial resources related to providing police protection and related services to the Village residents. This fund includes property taxes levied for police protection.

Street and Bridge Fund

The Street and Bridge Fund is used to account for the financial resources related to maintaining the roadways of the Village. This fund includes property taxes levied for street and bridge maintenance.

Garbage Disposal Fund

The Garbage Disposal Fund is used to account for the financial resources related to providing solid waste disposal services to the Village residents. This fund includes property taxes levied for garbage disposal.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the financial resources related to maintaining highways and streets throughout the Village. This fund includes motor fuel allotments.

Vehicle Tax Fund

The Vehicle Tax Fund is used to account for street maintenance expenditures mainly for patching materials. This fund includes fees collected from vehicle sticker sales.

Illinois Municipal Retirement

The Illinois Municipal Retirement Fund is used to account for the Village's participation in the Illinois Municipal Retirement Fund. This fund includes property taxes levied for the Village's contributions to the fund on behalf of its employees.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Social Security

The Social Security Fund is used to account for property taxes levied for the payment of the Village's portion of Federal Social Security and Medicare taxes.

CAPITAL PROJECTS FUND

The Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Development Fund

The Capital Development Fund is used to account for financial resources earmarked or segregated for the acquisition or construction of capital assets, except those financed and accounted for in other funds.

ENTERPRISE FUND

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose. The Village's enterprise fund is a major fund.

Waterworks and Sewerage Fund

The Waterworks and Sewerage Fund is used to account for the provision of water and sewer services to the residents of the Village and the sale of water to various other municipalities. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
General Government			
Office of the Mayor			
Personnel	\$ 45,150	45,150	45,150
Professional Fees	100,000	100,000	75,265
Communication	35,500	35,500	29,195
Professional Development	98,500	98,500	71,858
Contractual Services	10,000	10,000	10,000
Supplies	1,000	1,000	137
Other	3,500	3,500	2,320
Administration			
Personnel	486,700	486,700	443,096
Maintenance	13,000	13,000	9,941
Professional Fees	500	500	-
Communication	24,000	24,000	22,287
Professional Development	85,500	85,500	57,870
Contractual Services	25,200	25,200	28,764
Supplies	54,000	54,000	22,329
Civil Defense			
Maintenance	36,500	36,500	3,102
Finance			
Personnel	228,625	228,625	199,064
Maintenance	1,000	1,000	435
Professional Fees	20,500	20,500	18,369
Communication	2,000	2,000	2,663
Professional Development	5,500	5,500	1,656
Contractual Services	12,500	12,500	10,743
Supplies	25,000	25,000	17,716
Total General Government	1,314,175	1,314,175	1,071,960
Building and Community Development			
Planning			
Professional Fees	130,000	130,000	117,433
Building			
Personnel	438,150	438,150	362,794
Maintenance	75,500	75,500	61,993
Professional Fees	120,000	120,000	85,365

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Building and Community Development - Continued			
Building - Continued			
Communication	\$ 7,000	7,000	4,590
Professional Development	19,200	19,200	5,144
Contractual Services	18,000	18,000	16,871
Supplies	32,500	32,500	11,839
Other	5,000	5,000	900
Community Development			
Personnel	250,900	250,900	217,921
Maintenance	4,000	4,000	2,446
Communication	6,950	6,950	7,257
Professional Development	15,800	15,800	2,870
Contractual Services	11,000	11,000	10,317
Supplies	22,850	22,850	9,408
Total Building and Community Development	1,156,850	1,156,850	917,148
Capital Outlay			
General Government			
Civil Defense	500	500	-
Total Expenditures	2,471,525	2,471,525	1,989,108

VILLAGE OF FRANKFORT, ILLINOIS

Capital Development - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 11,406	11,406	11,407
Intergovernmental	-	-	23,160
Charges for Services	170,000	170,000	146,958
Interest	10,000	10,000	24,046
Miscellaneous	27,600	27,600	23,426
Total Revenues	219,006	219,006	228,997
Expenditures			
Public Works			
Professional Services	25,000	25,000	1,500
Capital Outlay	3,359,100	3,359,100	1,607,603
Total Expenditures	3,384,100	3,384,100	1,609,103
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,165,094)	(3,165,094)	(1,380,106)
Other Financing Sources			
Transfers In	734,000	734,000	1,500,000
Net Change in Fund Balance	(2,431,094)	(2,431,094)	119,894
Fund Balance - Beginning			7,917,827
Fund Balance - Ending			8,037,721

VILLAGE OF FRANKFORT, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet****April 30, 2017**

	Vehicle Tax	Illinois Municipal Retirement	Social Security	Totals
ASSETS				
Cash and Investments	\$ -	-	-	-
Receivables - Net of Allowances				
Property Taxes	-	-	-	-
Total Assets	-	-	-	-
LIABILITIES				
Accounts Payable	-	-	-	-
Accrued Payroll	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	-	-	-	-

VILLAGE OF FRANKFORT, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2017**

	Vehicle Tax	Illinois Municipal Retirement	Social Security	Totals
Revenues				
Taxes	\$ -	215,029	199,727	414,756
Licenses and Permits	1,168	-	-	1,168
Interest	86	295	244	625
Total Revenues	1,254	215,324	199,971	416,549
Expenditures				
General Government	-	67,122	40,494	107,616
Public Safety	-	45,243	233,239	278,482
Public Works	5,983	140,435	84,917	231,335
Building and Community Development	-	56,241	34,676	90,917
Total Expenditures	5,983	309,041	393,326	708,350
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,729)	(93,717)	(193,355)	(291,801)
Other Financing Sources (Uses)				
Transfers In	5,000	114,000	227,000	346,000
Transfers Out	(23,812)	(86,474)	(133,942)	(244,228)
	(18,812)	27,526	93,058	101,772
Net Change in Fund Balances	(23,541)	(66,191)	(100,297)	(190,029)
Fund Balances - Beginning	23,541	66,191	100,297	190,029
Fund Balances - Ending	-	-	-	-

VILLAGE OF FRANKFORT, ILLINOIS**Vehicle Tax - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Licenses and Permits	\$ 1,500	1,500	1,168
Interest	10	10	86
Total Revenues	1,510	1,510	1,254
Expenditures			
Public Works			
Supplies	1,000	1,000	-
Other	5,000	5,000	5,983
Total Expenditures	6,000	6,000	5,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,490)	(4,490)	(4,729)
Other Financing Sources (Uses)			
Transfers In	5,000	5,000	5,000
Transfers Out	-	-	(23,812)
	5,000	5,000	(18,812)
Net Change in Fund Balance	510	510	(23,541)
Fund Balance - Beginning			23,541
Fund Balance - Ending			-

VILLAGE OF FRANKFORT, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 215,000	215,000	215,029
Interest	50	50	295
Total Revenues	215,050	215,050	215,324
Expenditures			
General Government			
Office of the Mayor	6,180	6,180	5,279
Administration	48,410	48,410	40,206
Finance	22,908	22,908	21,637
Public Safety	48,410	48,410	45,243
Public Works	139,050	139,050	140,435
Building and Community Development			
Building	35,020	35,020	33,252
Community Development	28,840	28,840	22,989
Total Expenditures	328,818	328,818	309,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	(113,768)	(113,768)	(93,717)
Other Financing Sources (Uses)			
Transfers In	114,000	114,000	114,000
Transfers Out	-	-	(86,474)
	114,000	114,000	27,526
Net Change in Fund Balance	232	232	(66,191)
Fund Balance - Beginning			66,191
Fund Balance - Ending			-

VILLAGE OF FRANKFORT, ILLINOIS

Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 200,000	200,000	199,727
Interest	40	40	244
Total Revenues	200,040	200,040	199,971
Expenditures			
General Government			
Office of the Mayor	3,713	3,713	3,294
Administration	29,705	29,705	25,038
Finance	14,573	14,573	12,162
Public Safety	246,235	246,235	233,239
Public Works	91,237	91,237	84,917
Building and Community Development			
Building	24,401	24,401	21,700
Community Development	16,974	16,974	12,976
Total Expenditures	426,838	426,838	393,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226,798)	(226,798)	(193,355)
Other Financing Sources (Uses)			
Transfers In	227,000	227,000	227,000
Transfers Out	-	-	(133,942)
	227,000	227,000	93,058
Net Change in Fund Balance	202	202	(100,297)
Fund Balance - Beginning			100,297
Fund Balance - Ending			-

VILLAGE OF FRANKFORT, ILLINOIS**Waterworks and Sewerage - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales and Sewer Fees	\$ 8,770,044	8,770,044	8,638,706
Sale of Water Meters	45,000	45,000	45,945
Miscellaneous	22,000	22,000	17,731
Total Operating Revenues	8,837,044	8,837,044	8,702,382
Operating Expenses			
Personnel	2,643,785	2,643,785	2,208,605
Contractual Services	2,932,000	2,932,000	2,541,873
Commodities	915,000	915,000	657,115
Capital Improvements	17,934,640	17,934,640	60,590
Miscellaneous	355,000	355,000	6,890
Depreciation	-	-	2,734,895
Total Operating Expenses	24,780,425	24,780,425	8,209,968
Operating Income (Loss)	(15,943,381)	(15,943,381)	492,414
Nonoperating Revenues			
IEPA Loan Proceeds	14,154,640	14,154,640	-
Other Income	-	-	51,607
Interest Income	26,500	26,500	28,803
	14,181,140	14,181,140	80,410
Income (Loss) Before Contributions	(1,762,241)	(1,762,241)	572,824
Capital Contributions	-	-	55,000
Change in Net Position	(1,762,241)	(1,762,241)	627,824
Net Position - Beginning			92,049,497
Net Position - Ending			92,677,321

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 892,667	892,667	890,526
Contributions - Plan Members	260,000	260,000	248,346
Total Contributions	1,152,667	1,152,667	1,138,872
Investment Income			
Interest Earned	250,000	250,000	313,302
Net Change in Fair Value	-	-	696,056
	250,000	250,000	1,009,358
Less Investment Expenses		-	(33,812)
Net Investment Income	250,000	250,000	975,546
Total Additions	1,402,667	1,402,667	2,114,418
Deductions			
Administration	81,000	81,000	30,859
Benefits and Refunds	649,604	649,604	624,992
Total Deductions	730,604	730,604	655,851
Change in Fiduciary Net Position	672,063	672,063	1,458,567
Net Position Restricted for Pensions			
Beginning			10,897,386
Ending			12,355,953

SUPPLEMENTAL SCHEDULE

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

IEPA (L17-3468) Loan of 2011

April 30, 2017

Date of Issue	July 16, 2011
Date of Maturity	February 6, 2031
Authorized Issue	\$1,881,872
Interest Rate	Non-Interest Bearing
Interest Date	Non-Interest Bearing
Principal Maturity Date	February 6
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 96,506	-	96,506
2019	96,506	-	96,506
2020	96,506	-	96,506
2021	96,506	-	96,506
2022	96,506	-	96,506
2023	96,506	-	96,506
2024	96,506	-	96,506
2025	96,506	-	96,506
2026	96,506	-	96,506
2027	96,506	-	96,506
2028	96,506	-	96,506
2029	96,506	-	96,506
2030	96,506	-	96,506
2031	96,511	-	96,511
	1,351,089	-	1,351,089

STATISTICAL SECTION

(Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF FRANKFORT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years April 30, 2017 (Unaudited)

	2008	2009	2010
Governmental Activities			
Net Investment in Capital Assets	\$ 122,949,742	121,661,956	120,715,536
Restricted	3,686,381	2,118,088	2,437,742
Unrestricted	18,416,655	18,156,922	17,489,319
Total Governmental Activities Net Position	145,052,778	141,936,966	140,642,597
Business-Type Activities			
Net Investment in Capital Assets	75,432,908	76,056,389	76,721,543
Unrestricted	12,315,075	13,370,059	13,880,529
Total Business-Type Activities Net Position	87,747,983	89,426,448	90,602,072
Net Position			
Net Investment in Capital Assets	198,382,650	197,718,345	197,437,079
Restricted	3,686,381	2,118,088	2,437,742
Unrestricted	30,731,730	31,526,981	31,369,848
Total Net Position	232,800,761	231,363,414	231,244,669

2011	2012	2013	2014	2015	2016	2017
118,804,946	120,000,011	117,765,489	117,254,446	117,128,772	114,140,516	114,633,501
2,695,381	899,726	907,314	964,242	7,085,507	5,383,990	568,666
17,949,151	16,666,805	17,259,905	15,162,051	6,726,567	(2,941,994)	1,136,771
139,449,478	137,566,542	135,932,708	133,380,739	130,940,846	116,582,512	116,338,938
76,611,603	77,274,778	75,230,401	75,189,807	81,119,996	82,055,859	81,719,708
14,125,485	16,793,024	20,280,390	20,536,633	13,326,091	9,993,638	10,957,613
90,737,088	94,067,802	95,510,791	95,726,440	94,446,087	92,049,497	92,677,321
195,416,549	197,274,789	192,995,890	192,444,253	198,248,768	196,196,375	196,353,209
2,695,381	899,726	907,314	964,242	7,085,507	5,383,990	568,666
32,074,636	33,459,829	37,540,295	35,698,684	20,052,658	7,051,644	12,094,384
230,186,566	231,634,344	231,443,499	229,107,179	225,386,933	208,632,009	209,016,259

VILLAGE OF FRANKFORT, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years
April 30, 2017 (Unaudited)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
General Government	\$ 1,940,316	2,206,989	1,469,129	1,592,496	1,138,215	1,169,996	1,395,084	1,263,524	3,332,029	2,557,616
Community Development	1,415,500	1,271,978	904,795	815,549	937,494	1,009,932	908,189	1,104,635	1,356,325	1,083,800
Public Safety	4,332,294	4,937,148	5,117,412	5,221,773	5,224,525	5,209,916	5,422,269	5,866,812	7,179,980	6,360,475
Public Works	6,936,229	7,725,785	7,598,182	7,379,627	8,282,750	8,101,812	8,758,146	9,115,705	7,386,535	6,497,624
Solid Waste	1,117,525	1,180,436	1,206,237	1,222,835	1,283,755	1,301,292	1,286,640	1,358,153	1,373,180	1,417,644
Interest	176,324	186,987	131,449	168,141	175,793	98,056	63,732	26,606	-	-
	15,918,188	17,509,323	16,427,204	16,400,421	17,042,532	16,891,004	17,834,060	18,735,435	20,628,049	17,917,159
Business-Type Activities										
Waterworks and Sewerage	5,751,770	6,344,986	6,012,050	6,492,174	7,180,786	6,504,073	7,537,359	8,317,325	9,077,684	8,209,968
Total Expenses	21,669,958	23,854,309	22,439,254	22,892,595	24,223,318	23,395,077	25,371,419	27,052,760	29,705,733	26,127,127
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	864,809	887,352	888,042	784,299	1,953,856	916,323	867,087	1,596,632	1,620,303	1,533,846
Community Development	924,900	525,515	404,301	356,065	393,966	454,948	557,223	-	-	-
Public Safety	494,094	311,113	316,869	342,489	445,238	326,257	286,908	541,833	556,228	560,164
Public Works	273,016	211,606	263,374	140,664	46,659	418,449	92,511	587,238	356,419	306,940
Solid Waste	249,054	254,051	248,141	270,424	261,971	260,822	263,076	246,178	268,654	274,725
Operating Grants/Contributions	405,622	496,796	465,789	595,797	490,791	479,559	494,933	468,251	505,304	494,854
Capital Grants/Contributions	896,045	-	-	381,636	2,710,893	378,475	349,361	104,574	443,223	2,511,139
	4,107,540	2,686,433	2,586,516	2,871,374	6,303,374	3,234,833	2,911,099	3,544,706	3,750,131	5,681,668
Business-Type Activities										
Charges for Services	7,271,853	7,189,463	6,824,853	7,022,950	7,053,428	8,063,017	7,926,304	7,638,725	7,726,967	8,702,382
Capital Grants/Contributions	1,493,434	106,770	714,098	-	-	43,240	-	-	-	55,000
	8,765,287	7,296,233	7,538,951	7,022,950	7,053,428	8,106,257	7,926,304	7,638,725	7,726,967	8,757,382
Total Program Revenues	12,872,827	9,982,666	10,125,467	9,894,324	13,356,802	11,341,090	10,837,403	11,183,431	11,477,098	14,439,050
Net (Expenses) Revenues										
Governmental Activities	(11,810,648)	(14,822,890)	(13,840,688)	(13,529,047)	(10,739,158)	(13,656,171)	(14,922,961)	(15,190,729)	(16,877,918)	(12,235,491)
Business-Type Activities	3,013,517	951,247	1,526,901	530,776	(127,358)	1,602,184	388,945	(678,600)	(1,350,717)	547,414
Total Net (Expenses) Revenues	(8,797,131)	(13,871,643)	(12,313,787)	(12,998,271)	(10,866,516)	(12,053,987)	(14,534,016)	(15,869,329)	(18,228,635)	(11,688,077)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 3,712,792	3,714,881	4,025,035	4,014,041	3,928,562	3,757,175	3,637,695	3,541,613	3,547,862	3,565,618
Intergovernmental										
State Sales	5,220,794	4,770,103	4,542,701	4,807,023	4,953,732	5,116,556	5,756,785	5,797,015	6,078,143	6,004,269
State Income	1,364,950	1,452,377	1,271,976	1,276,267	1,516,599	1,672,487	1,698,153	1,791,461	1,818,863	1,676,626
Replacement	60,813	55,502	49,348	54,386	49,155	48,721	55,772	54,238	57,438	438,441
Earning on Investment	1,196,867	699,418	294,917	173,676	54,178	35,708	30,786	59,032	31,886	51,246
Other Income	484,946	1,014,797	1,722,342	1,369,535	1,621,364	726,090	526,201	817,102	410,480	255,717
Transfers - Interfund Activity	204,600	-	640,000	641,000	(3,267,368)	665,600	665,600	690,375	183,713	-
Total Governmental Activities	12,245,762	11,707,078	12,546,319	12,335,928	8,856,222	12,022,337	12,370,992	12,750,836	12,128,385	11,991,917
Business-Type Activities										
Earnings on Investments	823,856	337,624	164,296	93,132	22,704	37,385	38,926	59,295	49,484	28,803
Gain (loss) on Disposal of Capital Assets	-	-	-	(3,013)	-	2,341	-	-	-	-
Other Income	-	389,594	124,427	155,121	168,000	466,679	453,378	29,327	33,519	51,607
Transfers - Interfund Activity	(204,600)	-	(640,000)	(641,000)	3,267,368	(665,600)	(665,600)	(690,375)	-	-
Total Business-Type Activities	619,256	727,218	(351,277)	(395,760)	3,458,072	(159,195)	(173,296)	(601,753)	83,003	80,410
Total General Revenues and Other Changes in Net Position	12,865,018	12,434,296	12,195,042	11,940,168	12,314,294	11,863,142	12,197,696	12,149,083	12,211,388	12,072,327
Changes in Net Position										
Governmental Activities	(2,577,128)	(2,133,610)	(982,728)	1,596,770	(4,799,949)	(2,900,624)	(2,819,737)	(2,439,893)	(4,749,533)	(243,574)
Business-Type Activities	1,570,503	2,254,119	179,499	(523,118)	5,060,256	229,750	(851,896)	(1,280,353)	(1,267,714)	627,824
Total Changes in Net Position	(1,006,625)	120,509	(803,229)	1,073,652	260,307	(2,670,874)	(3,671,633)	(3,720,246)	(6,017,247)	384,250

Data Source: Audited Financial Statements

VILLAGE OF FRANKFORT, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years April 30, 2017 (Unaudited)

	2008	2009	2010
General Fund			
Unreserved	\$ 1,155,103	1,392,180	1,272,273
Nonspendable	-	-	-
Unassigned	-	-	-
Total General Fund	1,155,103	1,392,180	1,272,273
All Other Governmental Funds			
Reserved	3,893,618	4,036,010	4,097,090
Unreserved	19,126,302	17,202,102	16,935,337
Restricted	-	-	-
Assigned	-	-	-
Total All Other Governmental Funds	23,019,920	21,238,112	21,032,427
Total Governmental Funds	24,175,023	22,630,292	22,304,700

Date Source: Audited Financial Statements

Note: The Village began to classify fund balances in accordance with the requirements of GASB 54 with the year ended April 30, 2011.

2011	2012	2013	2014	2015	2016	2017
-	-	-	-	-	-	-
-	-	-	-	-	-	300,361
1,513,492	2,872,910	2,014,386	1,974,361	2,456,397	1,435,089	5,802,314
1,513,492	2,872,910	2,014,386	1,974,361	2,456,397	1,435,089	6,102,675
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,610,789	899,726	907,314	964,242	7,085,507	5,383,990	568,666
19,967,570	16,177,935	17,177,629	14,982,283	5,587,701	7,917,827	8,037,721
21,578,359	17,077,661	18,084,943	15,946,525	12,673,208	13,301,817	8,606,387
23,091,851	19,950,571	20,099,329	17,920,886	15,129,605	14,736,906	14,709,062

VILLAGE OF FRANKFORT, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2017 (Unaudited)

	2008	2009	2010
Revenues			
Taxes	\$ 3,712,792	3,714,881	4,025,035
Intergovernmental			
State Sales	5,220,794	4,770,103	4,542,701
State Income	1,364,950	1,452,377	1,271,976
Motor Fuel	399,133	451,051	435,669
Replacement	60,813	55,502	49,348
Licenses and Permits	1,086,773	1,086,210	1,080,861
Charges for Services and Fees	1,095,722	792,358	767,495
Fees by Agreement	203,204	76,254	25,979
Fines and Forfeits	420,174	234,815	246,392
Grants	6,489	45,745	30,120
Interest	1,196,867	699,418	294,917
Other Income	484,946	628,995	1,722,342
Total Revenues	15,252,657	14,007,709	14,492,835
Expenditures			
General Government	2,079,081	2,195,958	1,382,816
Community Development	1,180,875	1,169,361	861,454
Public Safety	4,224,638	4,668,537	4,764,634
Public Works	3,635,117	3,945,835	3,449,200
Solid Waste	1,117,525	1,180,436	1,206,237
Capital Outlay	2,369,721	2,782,313	3,154,086
Debt Service			
Principal	-	-	295,917
Interest and Fiscal Charges	-	-	344,083
Total Expenditures	14,606,957	15,942,440	15,458,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	645,700	(1,934,731)	(965,592)
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	390,000	-
Transfers In	1,994,837	1,346,743	2,285,000
Transfers Out	(1,790,237)	(1,346,743)	(1,645,000)
	204,600	390,000	640,000
Net Change in Fund Balances	850,300	(1,544,731)	(325,592)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	4.80%

2011	2012	2013	2014	2015	2016	2017
4,014,041	3,928,562	3,757,175	3,637,695	3,900,889	3,547,862	3,565,618
4,807,023	4,953,732	5,116,556	5,756,785	6,156,291	6,488,623	6,442,710
1,276,267	1,516,599	1,672,487	1,698,153	1,791,461	1,818,863	1,676,626
436,667	463,214	452,672	471,415	468,251	487,332	483,219
54,386	49,155	48,721	55,772	54,238	57,438	63,357
969,484	2,146,580	1,092,548	1,000,420	1,472,717	1,606,092	1,478,158
641,719	566,714	992,468	809,238	949,794	985,875	1,040,612
7,316	17,763	40,563	45,368	-	-	-
275,422	370,633	251,220	211,779	190,094	209,637	156,905
540,766	843,122	405,362	372,879	104,574	461,195	261,811
173,676	54,178	35,708	30,786	59,032	31,886	51,246
1,369,535	1,621,364	726,090	526,201	457,826	183,713	192,360
14,566,302	16,531,616	14,591,570	14,616,491	15,605,167	15,878,516	15,412,622
1,499,853	1,085,480	1,097,929	1,252,249	1,226,492	1,212,974	1,179,576
764,484	853,432	875,112	824,135	1,026,036	990,264	1,008,065
4,815,647	5,169,660	5,502,632	5,207,943	5,590,913	5,806,743	5,914,044
3,902,499	4,683,187	3,568,188	4,579,825	3,954,226	3,963,254	3,353,639
1,222,835	1,283,755	1,301,292	1,286,640	1,358,153	1,373,180	1,417,644
1,574,233	2,689,414	2,097,659	3,644,142	5,275,911	2,938,387	2,580,039
275,770	256,493	240,045	234,076	690,000	-	-
364,830	384,107	425,555	431,524	375	-	-
14,420,151	16,405,528	15,108,412	17,460,534	19,122,106	16,284,802	15,453,007
146,151	126,088	(516,842)	(2,844,043)	(3,516,939)	(406,286)	(40,385)
-	-	-	-	35,283	13,587	12,541
1,986,000	1,343,437	3,555,600	3,429,014	3,463,386	6,097,564	7,301,970
(1,345,000)	(4,610,805)	(2,890,000)	(2,763,414)	(2,773,011)	(6,097,564)	(7,301,970)
641,000	(3,267,368)	665,600	665,600	725,658	13,587	12,541
787,151	(3,141,280)	148,758	(2,178,443)	(2,791,281)	(392,699)	(27,844)
5.00%	5.40%	4.80%	4.60%	4.40%	0.00%	0.00%

VILLAGE OF FRANKFORT, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2017 (Unaudited)

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
2007	\$ 760,015,875	2,259,362	103,061,973	24,972,831
2008	820,926,851	2,332,732	111,321,808	26,974,262
2009	811,630,248	2,176,440	110,107,819	26,649,696
2010	785,368,808	2,400,719	106,545,126	25,787,407
2011	749,144,362	2,979,443	101,630,826	24,597,986
2012	718,171,314	2,811,457	97,428,943	23,580,993
2013	662,228,819	2,653,374	99,301,209	40,216,961
2014	657,182,007	2,622,087	95,953,106	39,649,377
2015	673,559,289	2,668,354	91,283,575	39,539,740
2016	707,530,858	2,759,487	91,282,036	39,509,741

Data Source: County Assessor

Total	Railroad	Total Assessed Value	Assessed Value as a Percentage of Estimated Actual Value	Total Direct Tax Rate
890,310,041	29,831	890,339,872	33.33	0.4483
961,555,653	40,723	961,596,376	33.33	0.4185
950,564,203	46,637	950,610,840	33.33	0.4245
920,102,060	233,189	920,335,249	33.33	0.4250
878,352,617	212,910	878,565,527	33.33	0.4267
841,992,707	171,169	842,163,876	33.33	0.4309
804,400,363	372,521	804,772,884	33.33	0.4380
795,406,577	436,220	795,842,797	33.33	0.4444
807,050,958	526,071	807,577,029	33.33	0.4405
841,082,122	581,154	841,663,276	33.33	0.4368

VILLAGE OF FRANKFORT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2017 (Unaudited)

	2007	2008	2009	2010
Village of Frankfort				
Corporate	\$ 0.0512	0.0474	0.0391	0.0142
Police Protection	0.1230	0.1238	0.1263	0.1304
Garbage Disposal	0.0731	0.0687	0.0695	0.0718
I.M.R.F	0.0231	0.0219	0.0227	0.0234
Social Security	0.0642	0.0312	0.0316	0.0326
Police Pension	0.0500	0.0481	0.0508	0.0674
Road and Bridge	0.0637	0.0774	0.0845	0.0852
Total Direct Tax Rate	0.4483	0.4185	0.4245	0.4250
Overlapping Rates				
Will County Forest Preserve District	0.1424	0.1445	0.1519	0.1567
Will County	0.4826	0.4751	0.4833	0.5077
Will County Building Comm.	0.0117	0.0191	0.0191	0.0197
Frankfort Township Funds	0.0787	0.0786	0.0782	0.0822
Frankfort Township Road Funds	0.0989	0.1160	0.1079	0.1092
Frankfort Fire Protection District	0.5622	0.5631	0.5769	0.6212
Frankfort School District #157-C	3.0924	3.1200	3.2100	3.4608
Crete-Monee School District #201-U	4.7214	4.8050	5.2375	5.7261
Peotone School District #207-U	3.1891	3.2927	3.3430	3.4495
Lincoln-Way High School District #210	1.5345	1.5442	1.6067	1.7045
Prairie State Community College District #515	0.3086	0.2400	0.2606	0.3025
Joliet Community College District #525	0.1901	0.1896	0.2144	0.2270
Frankfort Park District	0.2179	0.2020	0.1752	0.1858
Frankfort Square Park District	0.4163	0.4206	0.4399	0.5180
Frankfort Public Library	0.1543	0.1552	0.1585	0.1703
Mokena Community Library District	0.3018	0.2991	0.3036	0.3206
Mokena Fire District	0.5703	0.6284	0.7303	0.7900
Green Garden Township Fund	0.0928	0.0926	0.0942	0.0989
Green Garden Township Road Fund	0.3039	0.3031	0.3084	0.3239
Monee Township Fund	0.1365	0.1403	0.1415	0.1542
Monee Township Road Fund	0.2018	0.2074	0.2092	0.2279
Monee Fire Protection District	0.6015	0.6614	0.6718	0.7375
Peotone Library District	0.0745	0.0757	0.0766	0.0815
Mokena Community Park District	0.2457	0.2430	0.2512	0.2579
Summit Hill School District #161	2.8604	2.8530	2.9894	3.1874
Total Direct and Overlapping Tax Rate	21.0386	21.2882	22.2638	23.8460

Data Source: Office of the Will County Clerk

Notes: Road and Bridge taxes are levied by Frankfort Township; the tax rate is based on the Village's equalized assessed valuation.

2011	2012	2013	2014	2015	2016
0.0040	0.0057	0.0024	0.0045	0.0062	0.0051
0.1366	0.1425	0.1492	0.1517	0.1486	0.1560
0.0649	0.0499	0.0392	0.0247	0.0219	0.0068
0.0245	0.0256	0.0268	0.0273	0.0267	0.0281
0.0342	0.0357	0.0249	0.0254	0.0248	0.0261
0.0750	0.0797	0.0965	0.1053	0.1106	0.1166
0.0875	0.0918	0.0990	0.1055	0.1017	0.0981
0.4267	0.4309	0.4380	0.4444	0.4405	0.4368
0.1693	0.1859	0.1970	0.1977	0.1937	0.1944
0.5351	0.5696	0.5994	0.6210	0.6140	0.6121
0.0200	0.0212	0.0222	0.0223	0.0218	0.0026
0.0858	0.0896	0.0960	0.0998	0.0998	0.0962
0.1119	0.1228	0.0205	0.1167	0.1138	0.1097
0.6667	0.7272	0.7840	0.8157	0.8224	0.8078
3.6144	3.7572	3.9318	4.0179	4.0362	3.9139
6.3487	7.2682	8.1372	8.8188	8.6262	8.6810
3.6624	4.0915	4.4680	4.5933	4.6250	4.5481
1.8306	1.9190	2.0650	2.1394	2.1594	2.1189
0.3472	0.4321	0.4429	0.4585	0.4703	0.5537
0.2463	0.2768	0.2955	0.3066	0.3065	0.3099
0.1959	0.2089	0.2215	0.2286	0.2302	0.2268
0.5382	0.5846	0.6265	0.6527	0.6699	0.6433
0.1827	0.1843	0.1988	0.2049	0.2067	0.2033
0.3424	0.3709	0.3229	0.3169	0.3392	0.3338
0.8442	0.9107	0.9684	1.0097	1.0245	1.0093
0.1093	0.1232	0.1350	0.1383	0.1387	0.1350
0.3580	0.4034	0.4419	0.4526	0.4538	0.4417
0.1702	0.1959	0.2160	0.2288	0.2284	0.2185
0.2515	0.2896	0.1761	0.3383	0.3378	0.3231
0.7817	0.7834	0.9056	0.9489	0.9502	0.9087
0.0890	0.1009	0.1102	0.1138	0.1134	0.1092
0.2830	0.3030	0.3184	0.3234	0.3255	0.3208
3.3782	3.6596	3.9036	4.1112	4.1590	4.1149
25.5894	28.0104	30.0424	31.7202	31.7069	31.3735

VILLAGE OF FRANKFORT, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2017 (Unaudited)

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Pactiv Corp	\$ 4,957,600	1	0.61%	\$ 4,753,778	3	0.60%
Frankfort Station LLC	3,727,734	2	0.46%			
Inland Prairie Crossings LLC	3,635,997	3	0.45%			
CAB Holdings Inc.	2,967,989	4	0.37%	2,119,392	8	0.27%
Butera Center Management Inc.	2,394,800	5	0.30%	2,775,243	5	0.35%
Charm III LLC-Home Depot USA	2,118,602	6	0.26%	3,785,062	4	0.48%
Kohl's Illinois Inc.	1,863,680	7	0.23%	2,555,796	6	0.32%
Realty Income IL Properties 2	1,587,558	8	0.20%			
Crown Centre Frankfort LLC	1,314,740	9	0.16%			
Emagine Frankfort LLC	1,306,899	10	0.16%			
Frankfort 30 & Wolf LLC				5,842,574	1	0.74%
Regency Centers LP				5,004,606	2	0.63%
McEnery William				2,455,716	7	0.31%
Phillips Chevrolet				1,917,405	9	0.24%
Dominick's Finer Foods				1,729,650	10	0.22%
	<u>25,875,599</u>		<u>3.20%</u>	<u>32,939,222</u>		<u>4.15%</u>

Data Source: County Board of Equalization and Assessment

VILLAGE OF FRANKFORT, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2017 (Unaudited)

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 3,715,204	\$ 3,714,881	99.99%	-	\$ 3,714,881	99.99%
2008	4,024,103	4,020,430	99.91%	-	4,020,430	99.91%
2009	4,035,130	4,014,050	99.48%	-	4,014,050	99.48%
2010	3,911,425	3,878,562	99.16%	-	3,878,562	99.16%
2011	3,748,840	3,748,840	100.00%	-	3,748,840	100.00%
2012	3,628,537	3,628,537	100.00%	-	3,628,537	100.00%
2013	3,537,834	3,529,867	99.77%	-	3,529,867	99.77%
2014	3,529,319	3,529,319	100.00%	-	3,529,319	100.00%
2015	3,564,306	3,554,013	99.71%	-	3,554,013	99.71%
2016	3,685,244	-	N/A	-	-	N/A

Note:

Road and Bridge taxes are levied by Frankfort Township; the tax rate is based on the Village's equalized assessed valuation.

N/A - Not Available

VILLAGE OF FRANKFORT, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Fiscal Year	Government Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds (2)	Illinois EPA Loan	General Obligation Bonds (2)			
2008	\$ 3,092,011	\$ -	\$ 5,860,000	\$ 8,952,011	1.60%	\$ 544.79
2009	3,278,998	-	4,585,000	7,863,998	1.37%	465.08
2010	2,770,447	-	3,870,000	6,640,447	1.13%	384.60
2011	2,297,988	-	3,160,000	5,457,988	0.69%	306.94
2012	1,796,957	1,833,619	-	3,630,576	0.47%	202.27
2013	1,265,637	1,737,113	-	3,002,750	0.37%	164.07
2014	663,769	1,640,607	-	2,304,376	0.27%	123.70
2015	-	1,544,101	-	1,544,101	0.19%	81.92
2016	-	1,447,595	-	1,447,595	0.18%	75.79
2017	-	12,440,319	-	12,440,319	1.43%	642.15

Note:

Details regarding the Village's outstanding debt can be found in the notes to basic financial statements.

(1) See Schedule of Demographic and Economic Statistics for personal income and population data.

(2) Amounts include accrued interest on capital appreciation bonds.

VILLAGE OF FRANKFORT, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Fiscal Year	General Obligation Bonds (3)	Less: Amounts Available in Debt Service	Net General Obligation Bonds	Percentage of Equalized Assessed Valuation (1)	Per Capita (2)
2008	\$ 8,952,011	\$ 3,606,806	\$ 5,345,205	0.20%	\$ 325.29
2009	7,863,998	3,761,540	4,102,458	0.14%	242.62
2010	6,640,447	3,829,515	2,810,932	0.10%	162.80
2011	5,457,988	3,887,149	1,570,839	0.06%	88.34
2012	1,796,957	815	1,796,142	0.07%	100.07
2013	1,265,637	966	1,264,671	0.05%	69.10
2014	663,769	1,002	662,767	0.03%	35.58
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-

Note:

Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

(3) Amounts include accrued interest on capital appreciation bonds.

VILLAGE OF FRANKFORT, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt April 30, 2017 (Unaudited)

Governmental Unit	Gross Debt	*Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Frankfort	\$ -	100.000 %	\$ -
Will County	326,647,806	4.445 %	14,519,495
Will County Forest Preserve	146,816,879	4.445 %	6,526,010
Park Districts:			
Frankfort	435,000	99.162 %	431,355
Frankfort Square	1,577,598	19.938 %	314,541
Mokena Community	8,063,000	1.271 %	102,481
School Districts			
Frankfort SD # 157-C	21,587,360	92.822 %	20,037,819
Summit Hill SD #161	52,610,232	12.618 %	6,638,359
Lincoln Way HSD #210	157,661,804	22.791 %	35,932,702
Crete-Monee SD #201-U	61,106,483	0.058 %	35,442
Peotone SD #207-U	22,815,104	2.028 %	462,690
Prairie State Community College	14,632,838	0.012 %	1,756
Joliet Community College #525	79,505,000	4.524 %	3,596,806
	893,459,104		88,599,456
Totals	893,459,104		88,599,456

Data Source: Audited Financial Statements

* This statement excludes the Cook County portion of debt in the Village.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Frankfort. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

VILLAGE OF FRANKFORT, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Fiscal Year	Waterworks and Sewerage Revenue Bonds					
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage
				Principal	Interest	
2008	\$ 8,095,709	\$ 3,241,925	\$ 4,853,784	\$ -	\$ -	-
2009	7,527,087	3,713,851	3,813,236	-	-	-
2010	7,661,955	3,276,393	4,385,562	-	-	-
2011	7,113,069	3,790,864	3,322,205	-	-	-
2012	7,079,712	4,317,061	2,762,651	-	-	-
2013	8,102,743	4,030,109	4,072,634	-	-	-
2014	7,965,230	5,067,500	2,897,730	-	-	-
2015	7,727,347	5,820,577	1,906,770	96,506	-	19.76
2016	7,809,970	6,444,256	1,365,714	96,506	-	14.15
2017	8,782,792	5,475,073	3,307,719	96,506	-	34.27

(1) Total revenues (including interest) exclusive of fees by agreement and contributions by developers.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only.

VILLAGE OF FRANKFORT, ILLINOIS

Legal Debt Margin - Last Ten Fiscal Years April 30, 2017 (Unaudited)

	2008	2009	2010	2011
Assessed Valuation	\$ 890,339,872	961,596,376	950,610,840	920,335,249
Bonded Debt Limit - 8.625% of Assessed Value	76,791,814	82,937,687	81,990,185	79,378,915
Less: General Obligation Bonds (1)	8,952,011	7,863,998	6,640,447	5,457,988
Legal Debt Margin	67,839,803	75,073,689	75,349,738	73,920,927
Percentage of Legal Debt Margin to Bonded Debt Limit	88.34%	90.52%	91.90%	93.12%

Data Source: Equalized Assessed Valuation of Taxable Property from Will County Clerk's Office of Property Taxation.

Debt limit ceiling is established by the Illinois General Assembly and promulgated in the current edition of the Illinois Compiled Statutes.

(1) Includes accrued interest on capital appreciation bonds.

2012	2013	2014	2015	2016	2017
878,565,527	842,163,876	804,772,884	795,842,797	807,577,029	841,663,276
75,776,277	72,636,634	69,411,661	68,644,157	69,653,519	72,593,458
1,796,957	1,265,637	663,769	-	-	-
73,979,320	71,370,997	68,747,892	68,644,157	69,653,519	72,593,458
97.63%	98.26%	99.04%	100.00%	100.00%	100.00%

VILLAGE OF FRANKFORT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level Age 25 and Older		School Enrollment	Unemployment Rate
					High School	Four Years or More College		
2008	16,432	\$ 557,866	\$ 33,968	39.9	1,558	1,641	10,061	5.9%
2009	16,909	574,365	33,968	39.9	1,558	1,641	10,214	9.8%
2010	17,266	586,491	33,968	39.9	1,558	1,641	10,260	11.0%
2011	17,782	785,467	44,172	37.5	4,701	5,700	10,226	8.7%
2012	17,949	792,843	44,172	37.5	4,701	5,700	10,117	9.0%
2013	18,302	808,436	44,172	37.5	4,701	5,700	10,034	9.7%
2014	18,628	838,204	44,172	39.9	4,586	6,116	9,801	7.8%
2015	18,850	824,800	43,756	40.7	10,961	6,083	9,667	6.1%
2016	19,101	799,030	41,832	40.8	10,937	5,137	9,497	6.4%
2017	19,373	872,347	45,029	41.3	11,535	6,588	8,403	4.4%

Data Sources: Population - 2012 based on U.S. Census Bureau 2010 official census; 2008 based on U.S. Census Bureau special census; all other years are estimated from Frankfort building permit data.

Per capita income, median age and median education level - American Community Survey 5-year estimates from the U.S. Census Bureau.

School enrollment figures are for Frankfort School District #157-C, Summit Hill School District #161 and Lincoln-Way High School District #210.

Unemployment rate available only for Will County. Figures are not compiled for "Frankfort Only". Statistics are from Illinois Department of Employment Security.

VILLAGE OF FRANKFORT, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2017 (Unaudited)

Employer	2017			2008		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Retail Trade	1,299	1	N/A	N/A	N/A	N/A
Accommodation and Food Services	1,029	2	N/A	N/A	N/A	N/A
Manufacturing	1,000	3	N/A	N/A	N/A	N/A
Health Care and Social Assistance	820	4	N/A	N/A	N/A	N/A
Construction	795	5	N/A	N/A	N/A	N/A
Administrative and Waste Management Services	685	6	N/A	N/A	N/A	N/A
Other Services	592	7	N/A	N/A	N/A	N/A
Professional, Scientific and Technical Services	481	8	N/A	N/A	N/A	N/A
Finance and Insurance	314	9	N/A	N/A	N/A	N/A
Wholesale Trade	276	10	N/A	N/A	N/A	N/A
	<u>7,291</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

Source: Industry Report from Illinois Department of Employment Security

N/A - Not Available

VILLAGE OF FRANKFORT, ILLINOIS

Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	18	16	16	16	17	18	16	14	16	16
Public Safety	31	30	30	30	30	30	28	28	28	27
Public Works	15	15	15	15	15	15	16	18	18	16
Building and Community Development	8	7	6	5	5	6	6	6	5	5
Waterworks and Sewage	17	14	15	15	17	17	18	21	21	20
Totals	89	82	82	81	84	86	84	87	88	84

Data Source: Various Village Records

VILLAGE OF FRANKFORT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2017 (Unaudited)**

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2017 (Unaudited)**

Function/Program	2008	2009	2010	2011
Police				
Arrests	1,122	1,051	954	324
Traffic Violation	5,191	7,520	7,826	7,062
Parking Violations	303	290	210	268
Public Works				
Street Resurfacing (Miles)	3.200	2.530	2.002	2.222
Building and Community Development				
Building Permits Issued	105	25	34	56
Building Value	36,365,420	9,672,196	11,250,550	20,029,836
Inspections	2,415	600	816	1,344
Solid Waste				
Refuse Collected (Tons/Day)	20.55	23.15	22.24	21.57
Recyclables Collected (Tons/Day)	6.98	7.16	6.99	6.51
Waterworks and Sewage				
Number of Customers	10,529	10,585	10,615	10,651
Average Daily Consumption	2,932,690	2,874,781	2,589,476	2,644,642
Total Gallons Billed	1,070,431,919	1,049,295,131	945,158,695	965,294,348

Data Source: Various Village Records

2012	2013	2014	2015	2016	2017
430	510	355	535	420	413
7,945	7,955	7,994	9,404	9,647	7,771
176	190	227	249	255	249
2.100	2.290	2.200	1.900	0.510	1.880
43	81	94	92	82	88
15,888,636	27,142,572	31,490,000	34,500,000	30,750,000	34,555,822
1,032	3,517	3,063	3,881	3,611	3,031
20.69	20.53	20.93	22.51	23.63	24.88
5.54	5.58	5.21	5.74	5.85	5.87
10,699	10,782	10,872	10,782	10,825	10,901
2,566,709	2,873,849	2,628,101	2,322,122	2,311,614	2,422,209
936,848,945	1,048,954,966	959,256,723	847,574,374	843,739,148	884,106,133

VILLAGE OF FRANKFORT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	13	15	15	16	16	16	16	16	16	16
Public Works										
Streets (Miles)	120	120	120	120	120	120	130	130	130	130
Streetlights	1,372	1,416	1,419	1,419	1,429	1,432	1,444	1,452	1,454	1,455
Storm Sewers (Miles)	79	80	80	80	80	80	80	80	80	80
Storm Inlets	2,724	2,730	2,733	2,733	2,738	2,744	2,753	2,753	2,753	2,753
Waterworks and Sewerage										
Water Mains (Miles)	159	159	159	159	159	159	208	208	208	209
Fire Hydrants	2,427	2,430	2,433	2,433	2,433	2,435	2,836	2,836	2,837	2,840
Sanitary Sewers (Miles)	157	158	158	158	158	158	181	181	181	182
Manholes	3,050	3,058	3,062	3,062	3,062	3,064	4,341	4,341	4,341	4,351

Data Source: Various Village Records