VILLAGE OF
FRANKFORT
EST • 1855

Comprehensive Annual Financial Report

Fiscal Year Ended
April 30, 2019

Frankfort, Illinois 60423

VILLAGE OF FRANKFORT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2019

Prepared by:

Robert E. Piscia
Village Administrator

VILLAGE OF FRANKFORT, ILLINOIS

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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, 2019

VILLAGE MAYOR

Jim Holland

BOARD OF TRUSTEES

Gene Savaria, Clerk

Judith Hageman, Treasurer

John Clavio, Trustee

Keith Ogle, Trustee

Adam Borrelli, Trustee

Jessica Petrow, Trustee

Margaret Farina, Trustee

Richard Trevarthan, Trustee

ADMINISTRATION

Robert E. Piscia, Village Administrator

George Mahoney, Village Attorney

Village of Frankfort Organizational Chart

VILLAGE OF
FRANKFORT
EST • 1855

August 21, 2019

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, 2019, 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 19,957 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.

432 W. NEBRASKA STREET FRANKFORT, IL 60423 (815) 469-2177 FAX (815) 469-7999 VILLAGEOFFRANKFORT.COM

MAYOR *Jim Holland* VILLAGE CLERK *Gene Savaria*
VILLAGE TRUSTEES *Adam Borrelli* *John C. Clavio* *Margaret M. Farina* *Keith Ogle* *Jessica Petrow* *Dick Trevarthan*

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 $8.7007 per $100 of assessed value for 2018. The tax rate for the Village of Frankfort and the Village Road and Bridge Fund is $0.4281, which is a decrease of $0.2200 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 remains one of the largest revenue sources, comprising approximately forty percent (40%) of general governmental revenues. This has dropped from fifty percent (50%) in fiscal year 2017 mainly due to new revenue sources (electricity tax, gas tax, and garbage fee) that were imposed during fiscal year 2018. An increase was seen in income taxes this year and was mainly due to the healthy labor market as well as the non-wage income, such as dividends and capital gains. Legislation decreased the municipalities' share of income taxes by 10% for the State's fiscal year 2018 and 5% for the State's fiscal years 2019 and 2020. Long-term financial projections are continually analyzed to proactively counteract projected changes in revenues and expenses.

FOR THE YEAR

In fiscal year 2019, sales tax revenue decreased by $105,557 and went from $6.048 million to $5.943 million. The Village recognized $1,839,642 of income tax revenue and $3,774,240 of property tax revenue during fiscal year 2019, which equated to an increase in governmental revenues of $221,586 and $76,608 respectively from the prior year.

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 2018 from automotive and filling stations declined slightly when compared to the prior year.

Sales tax revenue on food has continued to decrease in calendar year 2018. On the contrary, sales tax revenue has continued to increase from drinking and eating places in calendar year 2018.

During the fall of 2017, the Village imposed an electricity and natural gas tax and also began charging a garbage service fee. These new revenue sources generated approximately $2.4 million in fiscal year 2019 and will help cover the increased costs of maintaining the Village's roads. The Pfeiffer Road bike trail which was partially funded by grant funds was completed in fiscal year 2019.

Operating expenditures for the fiscal year came in under budgeted projections, which was a result of conservative spending by the departments. Overall, revenues exceeded expenditures resulting in a transfer to the capital fund which will assist in supporting ongoing and future projects.

FOR THE FUTURE

The Village of Frankfort enters fiscal year 2020 on a sound financial basis. Budgeted revenues and expenditures for the General Fund in fiscal year 2020 are balanced. Budgeted operating revenues and expenditures in the Enterprise Fund are also balanced for fiscal year 2020. 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 fiscal year 2019 the voters approved a 1% non-home rule sales tax. The new sales tax rate of 8% became effective July 1, 2019 and is projected to generate over $2.5 million annually. The sales tax increase will support municipal operations, including hiring of additional police officers and will also assist in maintaining Frankfort's capital fund for future infrastructure improvements. A school resource officer position was created and will be jointly funded by School District 157C and the Village. The specially trained officer will implement programs to help keep students, staff and property safe and will begin in the fall of the 2019/2020 school year.

During fiscal year 2019, construction continued 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. The Village is funding 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 early fiscal year 2018, the construction of the preliminary treatment building and lab and the pumping stations at the North and West plants were completed. The second phase, which is the largest phase, began during fiscal year 2018 and was completed at the end of fiscal year 2019. This phase includes the enlargement of the regional waste water treatment plant and the connections to the North and West plants. The third phase will ultimately close the North and West waste water treatment plants and upon completion will consolidate treatment operations at the Regional plant.

As in the past, the Motor Fuel Tax Fund supports grant projects for road improvements. The Village's local match for grants will continue to be funded with MFT funds. St. Francis Road was approved for STP funding. This project is scheduled to be completed in fiscal year 2020. Other roadways are being studied to prepare for future STP opportunities.

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 fiscal year 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. The Village

continually analyzes various expense controls and funding sources through its long-term financial planning process.

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.

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 fiscal year 2007.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Lauterbach & Amen, LLP 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 thirty consecutive years: from fiscal year 1989 to 2018.

The Village of Frankfort is herewith submitting the enclosed financial report for fiscal year ended April 30, 2019, 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, LLP 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,

Robert Piscia, 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, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Lauterbach & Amen, LLP
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INDEPENDENT AUDITORS' REPORT

August 21, 2019

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, 2019, 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 the 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, 2019, 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The individual fund financial statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules and supplemental schedules 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 21, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF FRANKFORT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2019

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, 2019. 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 3 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 $210,655,393 (net position). Of this amount, $24,435,488 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The governmental funds reported combined ending fund balances of $19,529,905 of which $6,125,057 was unassigned and is available for spending at the Village's discretion (unassigned fund balance).

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 24 - 27 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 three individual governmental funds during fiscal year 2019. Information is presented separately in the governmental fund statement of revenues, expenditure, and changes in fund balances for the General Fund, Motor Fuel Tax Fund and Capital Development Fund.

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 28 - 31 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 32 - 35 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 36 - 37 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 38 - 78 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 79 - 88 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 89 - 95 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 $210,655,393 from $208,088,113, an increase of $2,567,280.

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) in fiscal year 2016 and Statement No. 75 (GASB No. 75) in fiscal year 2018. The implementation of these 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, the Illinois Municipal Retirement Fund, and the total OPEB liability. 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 Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	$ 25,599,839	22,750,854	26,460,387	20,346,100	52,060,226	43,096,954
Capital Assets	108,277,749	111,052,299	123,804,629	100,317,229	232,082,378	211,369,528
Total Assets	133,877,588	133,803,153	150,265,016	120,663,329	284,142,604	254,466,482
Deferred Outflows	2,613,485	1,690,767	880,951	309,191	3,494,436	1,999,958
Total Assets/ Def. Outlfows	136,491,073	135,493,920	151,145,967	120,972,520	287,637,040	256,466,440
Long-Term Debt	15,720,250	13,528,086	48,008,949	22,062,256	63,729,199	35,590,342
Other Liabilities	2,346,759	1,958,822	5,553,121	3,705,161	7,899,880	5,663,983
Total Liabilities	18,067,009	15,486,908	53,562,070	25,767,417	71,629,079	41,254,325
Deferred Inflows	4,998,282	6,136,510	354,286	987,492	5,352,568	7,124,002
Total Liab./ Def. Inflows	23,065,291	21,623,418	53,916,356	26,754,909	76,981,647	48,378,327
Net Position						
Net Investment in Capital Assets	108,277,749	111,052,299	76,645,300	78,129,382	184,923,049	189,181,681
Restricted	1,296,856	926,265	-	-	1,296,856	926,265
Unrestricted	3,851,177	1,891,938	20,584,311	16,088,229	24,435,488	17,980,167
Total Net Position	113,425,782	113,870,502	97,229,611	94,217,611	210,655,393	208,088,113

The chart on the next page shows the changes in net position. Overall net position increased for the year ended April 30, 2019 by $2,567,280 and increased $209,496 for the year ended April 30, 2018. The increase in the change in net position is mainly due to the following items: (1) an increase in business-type revenue during fiscal year 2019 due to increased sewer rates related to the waste water treatment plant project and (2) a full year of the increase in utility tax revenues and charges for services related to the new gas and electric tax and garbage fee.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	$ 3,312,025	2,780,906	11,689,036	10,150,435	15,001,061	12,931,341
Operating Grants/Contrib.	38,293	608,836	-	-	38,293	608,836
Capital Grants/Contrib.	853,459	47,476	-	-	853,459	47,476
General Revenues						
Property Taxes	3,774,240	3,697,632	-	-	3,774,240	3,697,632
Utility Taxes	1,938,633	1,326,531	-	-	1,938,633	1,326,531
Sales Taxes	5,942,547	6,048,104	-	-	5,942,547	6,048,104
Income Taxes	1,839,642	1,618,056	-	-	1,839,642	1,618,056
Use Taxes	540,628	467,728	-	-	540,628	467,728
Replacement Taxes	51,911	49,120	-	-	51,911	49,120
Interest Income	393,571	112,255	350,032	64,340	743,603	176,595
Miscellaneous	294,707	211,027	14,239	28,048	308,946	239,075
Total Revenues	18,979,656	16,967,671	12,053,307	10,242,823	31,032,963	27,210,494
Expenses						
General Government	1,429,444	1,817,834	-	-	1,429,444	1,817,834
Public Safety	6,828,855	6,594,006	-	-	6,828,855	6,594,006
Public Works	8,398,601	7,428,788	-	-	8,398,601	7,428,788
Solid Waste	1,412,339	1,397,520	-	-	1,412,339	1,397,520
Building & Community Development	1,355,137	1,060,317	-	-	1,355,137	1,060,317
Waterworks and Sewerage	-	-	9,041,307	8,702,533	9,041,307	8,702,533
Total Expenses	19,424,376	18,298,465	9,041,307	8,702,533	28,465,683	27,000,998
Change in Net Position	(444,720)	(1,330,794)	3,012,000	1,540,290	2,567,280	209,496
Net Position - Beginning	113,870,502	115,201,296	94,217,611	92,677,321	208,088,113	207,878,617
Net Position - Ending	113,425,782	113,870,502	97,229,611	94,217,611	210,655,393	208,088,113

- The FY 2019 sales tax revenue in the amount of $5,942,547 is $105,557 or 1.75% lower than the FY 2018 revenue. On the contrary, the FY2019 use tax revenue increased $72,900 or 15.59% from $467,728 in FY2018 to $540,628 in FY2019 as tax revenue from online shopping continues to increase.
- The FY 2019 income tax revenue in the amount of $1,839,642 is $221,586 or 13.69% higher than the FY 2018 revenue. Income tax revenue reached a record high during FY 2019.
- Property tax revenue increased $76,608 due to the 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 87.78% 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 .62% of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of $24,435,488 or 11.60% represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

	Expenses	Program Revenues	Net (Expenses) Revenues
General government	$ 1,429,444	1,678,742	249,298
Public safety	6,828,855	153,087	(6,675,768)
Public works	8,398,601	1,020,924	(7,377,677)
Solid waste	1,412,339	1,344,024	(68,315)
Building & Community Development	1,355,137	7,000	(1,348,137)

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 and police commission.
- 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 (Expenses) Revenues	
	2019	2018	2019	2018	2019	2018
General government	$ 1,429,444	1,817,834	1,678,742	1,706,890	249,298	(110,944)
Public safety	6,828,855	6,594,006	153,087	184,127	(6,675,768)	(6,409,879)
Public works	8,398,601	7,428,788	1,020,924	671,289	(7,377,677)	(6,757,499)
Building & Community Development	1,355,137	1,060,317	7,000	-	(1,348,137)	(1,060,317)
Solid waste	1,412,339	1,397,520	1,344,024	874,912	(68,315)	(522,608)
	19,424,376	18,298,465	4,203,777	3,437,218	(15,220,599)	(14,861,247)

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:

	2019	
	Amount	Percentage
Property Taxes	$ 3,774,240	25.5%
Utility Taxes	$ 1,938,633	13.1%
Sales Taxes	5,942,547	40.1%
Income Taxes	1,839,642	12.5%
Use Taxes	540,628	3.7%
Replacement Taxes	51,911	0.4%
Interest Income	393,571	2.7%
Miscellaneous	294,707	2.0%
Total	14,775,879	100.0%

Sales tax is one of the largest revenue sources for the Village comprising 40.1% of general governmental revenues. The second largest revenue source is property taxes collected during the year which represents 25.5% 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 0.4315 to 0.4281 per $100 of equalized assessed valuation. This rate decrease has been offset by the 3.2% increase in the total equalized assessed value (EAV) of properties located in Frankfort. This is the fourth 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 $3,012,000.

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, 2019, the Village of Frankfort's governmental funds reported combined ending fund balances of $19,529,905. Approximately 31.4% of this total amount or $6,125,057 constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remaining $13,404,848 of the fund balance is restricted ($1,296,856), and assigned ($12,107,992). 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 stayed the same as prior year. 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 $6,125,057, of which the entire balance is unassigned. It also should be noted that $4,603,255 was transferred from the General Fund 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 46.8% of the total General Fund expenditures. The unassigned fund balance includes the transfers mentioned above, whereas the expenditures only include the fiscal year 2019 General Fund expenditures.

The Motor Fuel Tax Fund ended the year with a fund balance of $1,296,856 which is restricted. During the year, the fund balance of the Village of Frankfort's Motor Fuel Tax Fund increased by $370,591 mainly due to minimal spending related to road and bridge projects during the year.

The Capital Development Fund ended the year with a fund balance of $12,107,992, 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 $2,010,344. This fund received $4,603,255 of transferred funds based on FY19 operating results within the governmental funds. These transfers were offset by expenditures such as costs related to the street resurfacing program, 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 $20,584,311. The only major proprietary fund is the Waterworks and Sewerage Fund. Its net position increased by $3,012,000. 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 $1,797,646 as the utility taxes, income tax and charges for services were more than anticipated. FY 2019 was the first full fiscal year the Village received the utility taxes and the monthly charge for garbage service, which were implemented during FY 2018. Expenditures were less than budgeted by $1,257,743, as all expenditure functions were less than expected. The fact that actual revenues were more than expected and actual expenditures were less than expected enabled the Village 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, 2019, amounts to $232,082,378 (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 Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	$ 30,959,579	30,959,579	2,580,859	2,580,859	33,540,438	33,540,438
Construction in Progress	521,588	469,033	562,304	10,620,381	1,083,892	11,089,414
Buildings and Improvements	6,781,966	6,938,162	-	-	6,781,966	6,938,162
Infrastructure	68,433,297	71,108,197	-	-	68,433,297	71,108,197
Vehicles	1,401,565	1,407,937	519,730	558,262	1,921,295	1,966,199
Equipment	179,754	169,391	-	-	179,754	169,391
Water Distribution	-	-	120,141,736	86,557,727	120,141,736	86,557,727
Totals	108,277,749	111,052,299	123,804,629	100,317,229	232,082,378	211,369,528

Major capital asset events during the fiscal year 2018-19 included the following:

- On the business-type activities side, water distribution increased $33,584,009 as projects three thru six (or phase two) of the consolidation of the waste water treatment facilities were completed and placed into service. Construction in progress at year end was $562,304 and mainly relates to the final phase or project seven of the consolidation of the waste water treatment facilities. The consolidation is a multi-year project.

- Depreciation in the amount of $3,916,225 was recorded for governmental activities capital assets and $2,967,029 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 53 - 55 of this report.

Long-term debt

The Village of Frankfort has total outstanding debt of $47,159,329 as of April 30, 2019. 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, 2019, the Village's legal debt limit of $77,770,564 was equal to the legal debt margin.

Below is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
IEPA Loans	$ -	-	47,159,329	22,187,847	47,159,329	22,187,847

Additional information on the Village's long-term debt can be found in the notes to the financial statements on pages 55 - 58 of this report.

Economic Factors and Next Year's Budget

Sales tax decreased slightly this year, but has remained relatively stagnant over the last four years generating approximately $6 million each year. An increase was seen in income taxes this year and was mainly due to the healthy labor market. Legislation decreased the municipalities' share of taxes by 10% for the State's fiscal year 2018 and 5% for the State's fiscal years 2019 and 2020.

General Sales and Income Taxes for the Past 5 Fiscal Years

	2019	2018	2017	2016	2015
Sales taxes	$5,942,547	$6,048,104	$6,004,269	$6,078,143	$5,797,015
Income taxes	$1,839,642	$1,618,056	$1,676,626	$1,818,863	$1,791,461

During fiscal year 2019, construction continued 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. The Village is funding 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 fiscal year 2017, sewer rates increased by 10% to cover some of the initial costs. Sewer rate increases in the amount of $1.59 were also implemented in the fall of 2017 and 2018 to cover the remaining phases of the project. In early fiscal year 2018, the construction of the preliminary treatment building and lab and the pumping stations at the North and West plants were completed. The second phase, which is the largest phase, began during fiscal year 2018 and was completed at the end of fiscal year 2019. This phase includes the enlargement of the regional waste water treatment plant and the connections to the North and West plants. The third phase will ultimately close the North and West waste water treatment plants and upon completion will consolidate treatment operations at the Regional plant.

In addition to addressing the Utility improvements, the Village 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. This amount no longer covers the rising costs for street maintenance. Therefore, in fiscal year 2018, approximately $900,000 was spent and approximately $1,700,000 in fiscal year 2019. To help cover these increased costs, during fiscal year 2018, the Village began charging residents for garbage collection. The Village also implemented a gas and electric tax and raised the tax slightly on phone bills.

During fiscal year 2019 the voters approved a 1% non-home rule sales tax. The new sales tax rate of 8% became effective July 1, 2019 and is projected to generate over $2.5 million annually. The sales tax increase will support municipal operations, including hiring of additional police officers and will also assist in maintaining Frankfort's capital fund for future infrastructure improvements. A school resource officer position was created and will be jointly funded by School District 157C and the Village. The specially trained officer will implement programs to help keep students, staff and property safe and will begin in the fall of the 2019/2020 school year. The Village continues to analyze its long term financial plan and strives to maintain healthy fund balances.

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, 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, 2019

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position
April 30, 2019

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	$ 18,829,855	20,794,082	39,623,937
Receivables - Net of Allowances	6,423,073	1,485,233	7,908,306
Due from Other Governments	346,911	4,181,072	4,527,983
Total Current Assets	25,599,839	26,460,387	52,060,226
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	31,481,167	3,143,163	34,624,330
Depreciable Capital Assets	145,880,272	170,071,952	315,952,224
Accumulated Depreciation	(69,083,690)	(49,410,486)	(118,494,176)
Total Noncurrent Assets	108,277,749	123,804,629	232,082,378
Total Assets	133,877,588	150,265,016	284,142,604
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,290,282	880,951	2,171,233
Deferred Items - Police Pension	1,300,398	-	1,300,398
Deferred Items - RBP	22,805	-	22,805
Total Deferred Outflows of Resources	2,613,485	880,951	3,494,436
Total Assets and Deferred Outflows of Resources	136,491,073	151,145,967	287,637,040

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 1,443,550	3,091,061	4,534,611
Retainage Payable	-	1,567,586	1,567,586
Accrued Payroll	322,709	184,495	507,204
Accrued Interest	-	85,489	85,489
Deposits Payable	471,592	-	471,592
Current Portion of Long-Term Debt	108,908	624,490	733,398
Total Current Liabilities	2,346,759	5,553,121	7,899,880
Noncurrent Liabilities			
Compensated Absences Payable	435,631	79,550	515,181
Net Pension Liability - IMRF	2,013,411	1,374,673	3,388,084
Net Pension Liability - Police	11,982,119	-	11,982,119
Total OPEB Liability - RBP	1,289,089	-	1,289,089
IEPA Loan Payable	-	46,554,726	46,554,726
Total Noncurrent Liabilities	15,720,250	48,008,949	63,729,199
Total Liabilities	18,067,009	53,562,070	71,629,079
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,832,083	-	3,832,083
Deferred Items - IMRF	518,904	354,286	873,190
Deferred Items - Police Pension	647,295	-	647,295
Total Deferred Inflows of Resources	4,998,282	354,286	5,352,568
Total Liabilities and Deferred Inflows of Resources	23,065,291	53,916,356	76,981,647
NET POSITION			
Net Investment in Capital Assets	108,277,749	76,645,300	184,923,049
Restricted			
Road Construction and Maintenance	1,296,856	-	1,296,856
Unrestricted	3,851,177	20,584,311	24,435,488
Total Net Position	113,425,782	97,229,611	210,655,393

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, 2019

		Program Revenues		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	$ 1,429,444	1,678,742	-	-
Public Safety	6,828,855	121,794	31,293	-
Public Works	8,398,601	167,465	-	853,459
Solid Waste	1,412,339	1,344,024	-	-
Building and Community Development	1,355,137	-	7,000	-
Total Governmental Activities	19,424,376	3,312,025	38,293	853,459
Business-Type Activities				
Waterworks and Sewerage	9,041,307	11,689,036	-	-
Total Primary Government	28,465,683	15,001,061	38,293	853,459

General Revenues
Taxes
Property Taxes
Utility 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
249,298	-	249,298
(6,675,768)	-	(6,675,768)
(7,377,677)	-	(7,377,677)
(68,315)	-	(68,315)
(1,348,137)	-	(1,348,137)
(15,220,599)	-	(15,220,599)
-	2,647,729	2,647,729
(15,220,599)	2,647,729	(12,572,870)
3,774,240	-	3,774,240
1,938,633	-	1,938,633
5,942,547	-	5,942,547
1,839,642	-	1,839,642
540,628	-	540,628
51,911	-	51,911
393,571	350,032	743,603
294,707	14,239	308,946
14,775,879	364,271	15,140,150
(444,720)	3,012,000	2,567,280
113,870,502	94,217,611	208,088,113
113,425,782	97,229,611	210,655,393

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

VILLAGE OF FRANKFORT, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2019

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Development	Totals
ASSETS				
Cash and Investments	$ 4,756,832	1,250,292	12,822,731	18,829,855
Receivables - Net of Allowances				
Property Taxes	3,832,083	-	-	3,832,083
Other Taxes	1,671,699	-	-	1,671,699
Accounts	773,617	-	143,443	917,060
Accrued Interest	-	-	2,231	2,231
Due from Other Governments	-	189,835	157,076	346,911
Total Assets	11,034,231	1,440,127	13,125,481	25,599,839
LIABILITIES				
Accounts Payable	486,632	143,271	813,647	1,443,550
Accrued Payroll	322,709	-	-	322,709
Deposits Payable	267,750	-	203,842	471,592
Total Liabilities	1,077,091	143,271	1,017,489	2,237,851
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,832,083	-	-	3,832,083
Total Liabilities and Deferred Inflows of Resources	4,909,174	143,271	1,017,489	6,069,934
FUND BALANCES				
Restricted	-	1,296,856	-	1,296,856
Assigned	-	-	12,107,992	12,107,992
Unassigned	6,125,057	-	-	6,125,057
Total Fund Balances	6,125,057	1,296,856	12,107,992	19,529,905
Total Liabilities, Deferred Inflows of Resources and Fund Balances	11,034,231	1,440,127	13,125,481	25,599,839

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, 2019

Total Governmental Fund Balances	$ 19,529,905
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.	108,277,749
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	771,378
Deferred Items - Police Pension	653,103
Deferred Items - RBP	22,805
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(544,539)
Net Pension Liability - IMRF	(2,013,411)
Net Pension Liability - Police	(11,982,119)
Total OPEB Liability - RBP	(1,289,089)
Net Position of Governmental Activities	113,425,782

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, 2019

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Development	Totals
Revenues				
Taxes	$ 5,712,873	-	-	5,712,873
Intergovernmental	8,413,021	500,515	170,362	9,083,898
Charges for Services	1,925,990	-	167,465	2,093,455
Licenses and Permits	1,064,920	-	-	1,064,920
Fines and Forfeitures	153,650	-	-	153,650
Interest	159,775	23,504	210,292	393,571
Miscellaneous	257,772	-	36,935	294,707
Total Revenues	17,688,001	524,019	585,054	18,797,074
Expenditures				
Current				
General Government	1,029,421	-	-	1,029,421
Public Safety	6,193,337	-	-	6,193,337
Public Works	3,170,454	-	3,094	3,173,548
Solid Waste	1,412,339	-	-	1,412,339
Building and Community Development	1,286,600	-	-	1,286,600
Capital Outlay	-	153,428	3,174,871	3,328,299
Total Expenditures	13,092,151	153,428	3,177,965	16,423,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,595,850	370,591	(2,592,911)	2,373,530
Other Financing Sources (Uses)				
Disposal of Capital Assets	7,405	-	-	7,405
Transfers In	-	-	4,603,255	4,603,255
Transfers Out	(4,603,255)	-	-	(4,603,255)
	(4,595,850)	-	4,603,255	7,405
Net Change in Fund Balances	-	370,591	2,010,344	2,380,935
Fund Balances - Beginning	6,125,057	926,265	10,097,648	17,148,970
Fund Balances - Ending	6,125,057	1,296,856	12,107,992	19,529,905

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, 2019

Net Change in Fund Balances - Total Governmental Funds	$ 2,380,935
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	985,611
Capital Contribution	182,582
Depreciation Expense	(3,916,225)
Disposals - Cost	(118,950)
Disposals - Accumulated Depreciation	92,432
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	1,783,701
Change in Deferred Items - Police Pension	343,643
Change in Deferred Items - RBP	22,805
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	(45,451)
Additions to Net Pension Liability - IMRF	(1,448,123)
Additions to Net Pension Liability - Police Pension	(699,692)
Additions to Total OPEB Liability - RBP	(7,988)
Changes in Net Position of Governmental Activities	(444,720)

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position - Proprietary Fund
April 30, 2019

	Business-Type Activities Waterworks and Sewerage
ASSETS	
Current Assets	
Cash and Investments	$ 20,794,082
Receivables - Net of Allowances	
Accounts	1,484,582
Accrued Interest	651
Due from Other Governments	4,181,072
Total Current Assets	26,460,387
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	3,143,163
Depreciable Capital Assets	170,071,952
Accumulated Depreciation	(49,410,486)
Total Noncurrent Assets	123,804,629
Total Assets	150,265,016
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	880,951
Total Assets and Deferred Outflows of Resources	151,145,967

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

	Business-Type Activities Waterworks and Sewerage
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 3,091,061
Retainage Payable	1,567,586
Accrued Payroll	184,495
Accrued Interest	85,489
Current Portion of Long-Term Debt	624,490
Total Current Liabilities	5,553,121
Noncurrent Liabilities	
Compensated Absences Payable	79,550
Net Pension Liability - IMRF	1,374,673
IEPA Loans Payable	46,554,726
Total Noncurrent Liabilities	48,008,949
Total Liabilities	53,562,070
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	354,286
Total Liabilities and Deferred Inflows of Resources	53,916,356
NET POSITION	
Net Investment in Capital Assets	76,645,300
Unrestricted	20,584,311
Total Net Position	97,229,611

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, 2019

	Business-Type Activities Waterworks and Sewerage
Operating Revenues	
Charges for Services	$ 11,689,036
Operating Expenses	
Personnel	2,083,271
Contractual Services	2,809,750
Commodities	593,731
Capital Improvements	294,368
Depreciation	2,967,029
Total Operating Expenses	8,748,149
Operating Income	2,940,887
Nonoperating Revenues (Expenses)	
Disposal of Capital Assets	(3,643)
Other Income	14,239
Interest Income	350,032
Interest Expense	(289,515)
	71,113
Change in Net Position	3,012,000
Net Position - Beginning	94,217,611
Net Position - Ending	97,229,611

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, 2019

	Business-Type Activities Waterworks and Sewerage
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 11,466,538
Payments to Employees	(1,624,491)
Payments to Suppliers	(2,538,426)
	7,303,621
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(26,462,111)
Disposal of Capital Assets	4,041
Debt Issuance	25,559,732
Less IEPA Loan Receivable	888,907
Payment of Loan Principal	(588,250)
Interest Payments	(289,515)
	(887,196)
Cash Flows from Investing Activities	
Interest Received	350,032
Net Change in Cash and Cash Equivalents	6,766,457
Cash and Cash Equivalents - Beginning	14,027,625
Cash and Cash Equivalents - Ending	20,794,082
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	2,940,887
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:	
Depreciation	2,967,029
Other Income	14,239
Other Expense	(209,024)
(Increase) Decrease in Current Assets	(236,737)
Increase (Decrease) in Current Liabilities	1,827,227
Net Cash Provided by Operating Activities	7,303,621

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Fiduciary Net Position
April 30, 2019

	Pension Trust
	Police Pension
ASSETS	
Cash and Cash Equivalents	$ 655,122
Investments	
U.S. Agency Obligations	3,517,180
Corporate Bonds	2,690,497
Mutual Funds	8,271,846
Receivables - Net of Allowances	
Accrued Interest	47,404
Prepaids	530
Total Assets	15,182,579
LIABILITIES	
Accounts Payable	7,614
NET POSITION	
Restricted for Pensions	15,174,965

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, 2019

	Pension Trust Police Pension
Additions	
Contributions - Employer	$ 1,043,322
Contributions - Plan Members	262,115
Total Contributions	1,305,437
Investment Income	
Interest Earned	573,921
Net Change in Fair Value	458,471
	1,032,392
Less Investment Expenses	(40,028)
Net Investment Income	992,364
Total Additions	2,297,801
Deductions	
Administration	38,666
Benefits and Refunds	742,151
Total Deductions	780,817
Change in Fiduciary Net Position	1,516,984
Net Position Restricted for Pensions	
Beginning	13,657,981
Ending	15,174,965

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

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

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.

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.

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.

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 one special revenue fund. 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.

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.

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.

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.

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.

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, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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.

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 acquisition 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	5 - 15 Years
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.

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/reduction 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.”

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, 2018 to April 30, 2019 was adopted through the passage of ordinance number 3160 on July 2, 2018.

- 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.

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. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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 $9,115,044 and the bank balances totaled $9,302,248. The Village also has $22,329,668 invested in the Illinois Funds and $8,179,225 invested in IMET. Illinois Funds and IMET are measured at net asset value per share as determined by the pool.

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. The Villages investment in the Illinois Funds has an average maturity of less than one year and the investment in IMET has an average maturity of less than one to three years.

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.

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 policy states that the Village can diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. 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 $655,122 and the bank balances totaled $655,138.

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agencies	$ 3,517,180	919,302	1,119,405	856,333	622,140
Corporate Bonds	2,690,497	75,084	1,178,766	1,436,647	-
	6,207,677	994,386	2,298,171	2,292,980	622,140

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 – Continued. The Fund has the following recurring fair value measurements as of April 30, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Indentical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Agencies	$ 3,517,180	-	3,517,180	-
Corporate Bonds	2,690,497	-	2,690,497	-
Equitiy Securities				
Mutual Funds	8,271,846	8,271,846	-	-
Total Investments by Fair Value Level	14,479,523	8,271,846	6,207,677	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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 not rated and the Corporate Bonds were rated Baa2 through A1 by Moody'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.

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

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 $8,271,846 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of the 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).

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%	4.07%
Domestic Equities	40.00%	8.66% - 8.97%
International Equities	10.00%	5.46%
Real Estate	5.00%	9.55%
Cash and Cash Equivalents	2.00%	1.29%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. 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 2019 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, 2019 are listed in the table above.

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2018 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.

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	469,033	400,701	348,146	521,588
	31,428,612	400,701	348,146	31,481,167
Depreciable Capital Assets				
Buildings and Improvements	9,469,815	97,781	-	9,567,596
Vehicles	3,703,006	310,463	118,950	3,894,519
Equipment	1,727,547	80,273	-	1,807,820
Infrastructure	129,983,216	627,121	-	130,610,337
	144,883,584	1,115,638	118,950	145,880,272
Less Accumulated Depreciation				
Buildings and Improvements	2,531,653	253,977	-	2,785,630
Vehicles	2,295,069	290,317	92,432	2,492,954
Equipment	1,558,156	69,910	-	1,628,066
Infrastructure	58,875,019	3,302,021	-	62,177,040
	65,259,897	3,916,225	92,432	69,083,690
Total Depreciable Capital Assets	79,623,687	(2,800,587)	26,518	76,796,582
Total Capital Assets	111,052,299	(2,399,886)	374,664	108,277,749

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	$ 105,505
Public Safety	230,974
Public Works	3,511,209
Building and Community Development	68,537
	3,916,225

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	10,620,381	26,323,623	36,381,700	562,304
	13,201,240	26,323,623	36,381,700	3,143,163
Depreciable Capital Assets				
Vehicles	1,618,430	112,810	35,076	1,696,164
Water Distribution, Storm, and Sanitary System	131,995,303	36,407,378	26,893	168,375,788
	133,613,733	36,520,188	61,969	170,071,952
Less Accumulated Depreciation				
Vehicles	1,060,168	151,343	35,077	1,176,434
Water Distribution, Storm, and Sanitary System	45,437,576	2,815,686	19,209	48,234,052
	46,497,744	2,967,029	54,286	49,410,486
Total Depreciable Capital Assets	87,115,989	33,553,159	7,683	120,661,466
Total Capital Assets	100,317,229	59,876,782	36,389,383	123,804,629

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities – Continued

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

Waterworks and Sewerage	$ 2,967,029

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 2018 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	$ 1,254,583	-	96,506	1,158,077
Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016 - Due in semi-annual installments of $352,884 plus interest at 1.86% through November 25, 2036.	Waterworks and Sewerage	$ 11,245,631	-	491,744	10,753,887
Illinois Environmental Protection Agency (IEPA) (L17-5388) Loan of 2017 - Due in semi-annual installments plus interest at 1.76% through April 8, 2039.	Waterworks and Sewerage	9,687,633	25,559,732	-	35,247,365
		22,187,847	25,559,732	588,250	47,159,329

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	$ 499,088	90,902	45,451	544,539	108,908
Net Pension Liability					
IMRF	565,288	1,448,123	-	2,013,411	-
Police Pension	11,282,427	699,692	-	11,982,119	-
Total OPEB Liability - RBP	1,281,101	7,988	-	1,289,089	-
	13,627,904	2,246,705	45,451	15,829,158	108,908

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	$ 104,910	5,473	10,946	99,437	19,887
Net Pension Liability					
IMRF	378,731	995,942	-	1,374,673	-
IEPA Loans Payable	22,187,847	25,559,732	588,250	47,159,329	604,603
	22,671,488	26,561,147	599,196	48,633,439	624,490

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, and the total OPEB liability.

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – 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 - 2018	$ 901,656,209
Legal Debt Limit - 8.625% of Assessed Value	77,767,848
Amount of Debt Applicable to Limit	-
Legal Debt Margin	77,767,848

Debt Service Requirements to Maturity

Final repayment schedule for the IEPA Loan Payable of 2017 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:

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year	Business-Type Activities IEPA Loan Payable Principal	Interest
2020	$ 604,603	197,671
2021	614,098	188,176
2022	623,770	178,504
2023	633,622	168,652
2024	643,659	158,615
2025	653,883	148,391
2026	664,299	137,975
2027	674,909	127,365
2028	685,717	116,557
2029	696,728	105,546
2030	707,944	94,330
2031	719,374	82,905
2032	634,503	71,265
2033	646,359	59,409
2034	658,437	47,331
2035	670,741	35,027
2036	683,275	22,493
2037	696,043	9,725
Totals	11,911,964	1,949,937

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Development	General	$ 4,603,255

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

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.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of budgeted operating.

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/ NET POSITION – Continued

Fund Balance Classifications – Continued

		Special Revenue	Capital Projects	
	General	Motor Fuel Tax	Capital Development	Totals
Fund Balances				
Restricted				
Motor Fuel Taxes				
Road Construction and Maintenance	$ -	1,296,856	-	1,296,856
Assigned				
Capital Projects	-	-	12,107,992	12,107,992
Unassigned	6,125,057	-	-	6,125,057
Total Fund Balances	6,125,057	1,296,856	12,107,992	19,529,905

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 108,277,749
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	123,804,629
Less Capital Related Debt:	
IEPA Loan Payable of 2011	(1,158,077)
IEPA Loan Payable of 2016	(10,753,887)
IEPA Loan Payable of 2017	(35,247,365)
Net Investment in Capital Assets	76,645,300

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, 2019, the Village rebated a total of $255,269 in taxes under these agreements.

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.

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURE

Laraway Communications Center

The Illinois General Assembly amended the Emergency Telephone System Act (PSAP) and mandated that Public Safety Answering Points in Counties with populations of at least 250,000 but less than 1,000,000 be consolidated to reduce the number of PSAPs by at least 50%. Therefore, as of December 2017, the Lincoln-Way Public Safety Communications Center closed and the Village became a member of the Laraway Communications Center (LCC). The LCC consists of fourteen municipalities, ten fire protection districts, one forest preserve district and one county (Will). The LCC is an intergovernmental association established by participating local governmental entities (agencies) and pursuant to legal authority conferred by the State of Illinois. The LCC provides equipment services and other items necessary and appropriate for the establishment, operations and ongoing maintenance of a combined public safety telecommunications system for the mutual benefit of the members of the LCC.

The LCC is governed by Board of Directors, which consists of one representative for each primary police or fire Agency member of LCC and signatory to the intergovernmental agreement and the by-laws. The Board shall have the authority to hire, fix the salary and job descriptions, and remove the employees of LCC with recommendation from the Executive Director. Per agreement between LCC and Will County, all payroll related matters will be handled through Will County including, but not limited to, payroll, IMRF, and benefit administration. Separate audited financial statements are available at 302 N Chicago Street, Joliet IL 60432.

In accordance with the intergovernmental agreement, the Village remitted $342,616 to the Center for the year ended April 30, 2019, which is recorded in the Village's General Fund.

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.

The aggregate amount of pension expense recognized for the two pension plans is:

IMRF	$ 95,223
Police Pension	1,399,371
	1,494,594

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.

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, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	52
Inactive Plan Members Entitled to but not yet Receiving Benefits	47
Active Plan Members	70
Total	169

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. For the year-ended April 30, 2019, the Village's contribution was 11.41% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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 table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	2.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% and 7.50% in 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.

Discount Rate Sensitivity

The following is a sensitivity 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:

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity – Continued

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 6,271,879	3,388,084	1,038,053

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	$ 19,612,910	18,668,891	944,019
Changes for the Year:			
Service Cost	378,191	-	378,191
Interest on the Total Pension Liability	1,454,995	-	1,454,995
Difference Between Expected and Actual Experience of the Total Pension Liability	357,407	-	357,407
Changes of Assumptions	632,595	-	632,595
Contributions - Employer	-	479,348	(479,348)
Contributions - Employees	-	177,409	(177,409)
Net Investment Income	-	(974,073)	974,073
Benefit Payments, including Refunds of Employee Contributions	(804,145)	(804,145)	-
Other (Net Transfer)	-	696,439	(696,439)
Net Changes	2,019,043	(425,022)	2,444,065
Balances at December 31, 2018	21,631,953	18,243,869	3,388,084

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, 2019, the Village recognized pension expense of $95,223. At April 30, 2019, 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	$ 359,986	(462,963)	(102,977)
Change in Assumptions	496,599	(410,227)	86,372
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,194,630	-	1,194,630
Total Pension Expense to be Recognized in Future Periods	2,051,215	(873,190)	1,178,025
Pension Contributions Made Subsequent to the Measurement Date	120,018	-	120,018
Total Deferred Amounts Related to IMRF	2,171,233	(873,190)	1,298,043

$120,018 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020.

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 – Continued

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 of Resources
2020	$ 370,901
2021	117,002
2022	140,759
2023	549,363
2024	-
Thereafter	-
Total	1,178,025

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, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	14
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	28
Total	43

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 ½ 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.

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 proceeding 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, 2019, the Village's contribution was 38.69% 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).

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, 2019, 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	Graded by years of service
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP2014 base rates with blue collar adjustment projected from 2013 with scale MP2018 fully generationally.

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.

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	$ 16,929,829	11,982,119	8,068,087

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	$ 24,940,408	13,657,981	11,282,427
Changes for the Year:			
Service Cost	663,841	-	663,841
Interest on the Total Pension Liability	1,654,139	-	1,654,139
Difference Between Expected and Actual Experience of the Total Pension Liability	513,086	-	513,086
Changes of Assumptions	127,761	-	127,761
Contributions - Employer	-	1,043,322	(1,043,322)
Contributions - Employees	-	262,115	(262,115)
Net Investment Income	-	992,364	(992,364)
Benefit Payments, including Refunds of Employee Contributions	(742,151)	(742,151)	-
Administrative Expense	-	(38,666)	38,666
Net Changes	2,216,676	1,516,984	699,692
Balances at April 30, 2019	27,157,084	15,174,965	11,982,119

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, 2019, the Village recognized pension expense of $1,399,371. At April 30, 2019, 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	$ 693,957	(586,422)	107,535
Change in Assumptions	527,804	(60,873)	466,931
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	78,637	-	78,637
Total Deferred Amounts Related to Police Pension	1,300,398	(647,295)	653,103

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 of Resources
2020	$ 207,680
2021	27,197
2022	71,930
2023	52,186
2024	129,167
Thereafter	164,943
Total	653,103

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. 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. The plan also provides all retirees with dental and vision insurance and retirees pay the full cost of coverage.

Plan Membership. As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	8
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	79
Total	87

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial assumptions and other inputs – Continued.

Inflation	2.75%
Salary Increases	2.75%
Discount Rate	3.79%
Healthcare Cost Trend Rates	7.40% for 2019, decreasing 0.30% per year to an ultimate rate of 5.00% for 2026 and later
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the Sex Distinct Raw Rates as developed in the RP-2014 Study. The actuarial assumptions used in the April 30, 2019 valuation were based on the results of an actuarial experience study for the period May 1, 2017 −April 30, 2018.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2018	$ 1,281,101
Changes for the Year:	
Service Cost	22,874
Interest on the Total Pension Liability	49,104
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	24,344
Benefit Payments	(88,334)
Net Changes	7,988
Balance at April 30, 2019	1,289,089

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.79%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB Liability	$ 1,468,167	1,289,089	1,137,941

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	$ 1,120,310	1,289,089	1,490,310

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the Village recognized OPEB expense of $73,517. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ -	-	-
Change in Assumptions	22,805	-	22,805
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	22,805	-	22,805

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

Fiscal Year	Net Deferred Outflows of Resources
2020	$ 1,539
2021	1,539
2022	1,539
2023	1,539
2024	1,539
Thereafter	15,110
Total	22,805

SUBSEQUENT EVENT

On May 6, 2019, the Village issued $7,025,243 of Illinois Environmental Protection Agency Loans Payable at a fixed rate of 1.84%. Payments will be due semiannually through July 6, 2040.

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 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

- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefits Plan

- Budgetary Comparison Schedules
  - General 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

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 491,836	$ 491,836	$ -	$ 3,896,181	12.62%
2017	529,899	529,899	-	4,064,199	13.04%
2018	491,984	491,984	-	3,894,847	12.63%
2019	449,379	449,379	-	3,938,141	11.41%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 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. Information for additional years will be displayed as it becomes available.

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered 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%
2018	980,824	981,772	948	2,521,702	38.93%
2019	1,113,526	1,043,322	(70,204)	2,696,284	38.69%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	Graded by years of service
Investment Rate of Return	6.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP2014 base rates with blue collar adjustments projected from 2013 with scale MP2018 fully generationally

Note:
This schedule is intended to show information for ten years. Information for additional years 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, 2019

	12/31/15
Total Pension Liability	
Service Cost	$ 406,401
Interest	1,294,590
Differences Between Expected and Actual Experience	333,983
Change of Assumptions	25,474
Benefit Payments, Including Refunds of Member Contributions	(629,201)
Net Change in Total Pension Liability	1,431,247
Total Pension Liability - Beginning	17,395,649
Total Pension Liability - Ending	18,826,896
Plan Fiduciary Net Position	
Contributions - Employer	$ 491,836
Contributions - Members	178,345
Net Investment Income	74,449
Benefit Payments, Including Refunds of Member Contributions	(629,201)
Other (Net Transfer)	(40,531)
Net Change in Plan Fiduciary Net Position	74,898
Plan Net Position - Beginning	14,869,307
Plan Net Position - Ending	14,944,205
Employer's Net Pension Obligation	$ 3,882,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.38%
Covered Payroll	$ 3,963,215
Employer's Net Pension Liability as a Percentage of Covered Payroll	97.97%

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

12/31/16	12/31/17	12/31/18
423,576	435,318	378,191
1,398,709	1,455,720	1,454,995
(382,241)	(490,892)	357,407
(52,563)	(635,480)	632,595
(678,727)	(687,406)	(804,145)
708,754	77,260	2,019,043
18,826,896	19,535,650	19,612,910
19,535,650	19,612,910	21,631,953
529,899	498,325	479,348
182,166	175,467	177,409
1,038,444	2,806,196	(974,073)
(678,727)	(687,406)	(804,145)
96,280	(235,958)	696,439
1,168,062	2,556,624	(425,022)
14,944,205	16,112,267	18,668,891
16,112,267	18,668,891	18,243,869
3,423,383	944,019	3,388,084
82.48%	95.19%	84.34%
4,048,131	3,899,260	3,942,410
84.57%	24.21%	85.94%

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019

	2015
Total Pension Liability	
Service Cost	$ 517,324
Interest	1,343,788
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	(531,926)
Net Change in Total Pension Liability	1,329,186
Total Pension Liability - Beginning	19,462,914
Total Pension Liability - Ending	20,792,100
Plan Fiduciary Net Position	
Contributions - Employer	$ 774,820
Contributions - Members	228,686
Net Investment Income	678,031
Benefit Payments, Including Refunds of Member Contributions	(531,926)
Administrative Expense	(29,442)
Net Change in Plan Fiduciary Net Position	1,120,169
Plan Net Position - Beginning	9,462,258
Plan Net Position - Ending	10,582,427
Employer's Net Pension Liability	$ 10,209,673
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.90%
Covered Payroll	$ 2,252,880
Employer's Net Pension Liability as a Percentage of Covered Payroll	453.18%

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

2016	2017	2018	2019
515,213	549,990	587,114	663,841
1,384,020	1,491,865	1,533,546	1,654,139
429,395	(808,914)	(140,737)	513,086
(104,277)	-	570,324	127,761
(576,191)	(624,992)	(658,048)	(742,151)
1,648,160	607,949	1,892,199	2,216,676
20,792,100	22,440,260	23,048,209	24,940,408
22,440,260	23,048,209	24,940,408	27,157,084
836,569	890,526	981,772	1,043,322
253,766	248,346	254,053	262,115
(171,522)	975,546	753,770	992,364
(576,191)	(624,992)	(658,048)	(742,151)
(27,663)	(30,859)	(29,519)	(38,666)
314,959	1,458,567	1,302,028	1,516,984
10,582,427	10,897,386	12,355,953	13,657,981
10,897,386	12,355,953	13,657,981	15,174,965
11,542,874	10,692,256	11,282,427	11,982,119
48.56%	53.61%	54.76%	55.88%
2,524,246	2,442,326	2,521,702	2,696,284
457.28%	437.79%	447.41%	444.39%

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2019

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.79%
2016	(1.48%)
2017	8.80%
2018	6.05%
2019	7.16%

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

VILLAGE OF FRANKFORT, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
April 30, 2019

		2018	2019
Total OPEB Liability			
Service Cost	$	22,001	22,874
Interest		49,678	49,104
Changes in Benefit Terms		-	-
Differences Between Expected and Actual Experience		-	-
Change of Assumptions or Other Inputs		-	24,344
Benefit Payments		(83,842)	(88,334)
Net Change in Total OPEB Liability		(12,163)	7,988
Total OPEB Liability - Beginning		1,293,264	1,281,101
Total OPEB Liability - Ending		1,281,101	1,289,089
Covered Payroll	$	5,636,689	6,371,153
Total OPEB Liability as a Percentage of Covered Payroll		22.73%	20.23%

Notes:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year	Medical
2020	7.10%
2021	6.80%
2022	6.50%
2023	6.20%
2024	5.90%
2025	5.60%
2026	5.30%
2027	5.00%
Ultimate	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

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, 2019

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	$ 3,724,355	3,724,355	3,774,240
Utility Taxes	1,450,000	1,450,000	1,938,633
Intergovernmental			
State Sales	5,800,000	5,800,000	5,942,547
Replacement	45,000	45,000	51,911
State Use	450,000	450,000	540,628
State Income	1,533,000	1,533,000	1,839,642
Grants	10,000	10,000	38,293
Charges for Services	1,668,200	1,668,200	1,925,990
Licenses and Permits	943,000	943,000	1,064,920
Fines and Forfeitures	139,000	139,000	153,650
Interest	10,000	10,000	159,775
Miscellaneous	117,800	117,800	257,772
Total Revenues	15,890,355	15,890,355	17,688,001
Expenditures			
General Government	1,349,092	1,349,092	1,029,421
Public Safety	6,772,604	6,772,604	6,193,337
Public Works	3,414,409	3,414,409	3,170,454
Solid Waste	1,472,000	1,472,000	1,412,339
Building and Community Development	1,341,789	1,341,789	1,286,600
Total Expenditures	14,349,894	14,349,894	13,092,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,540,461	1,540,461	4,595,850
Other Financing Sources (Uses)			
Disposal of Capital Assets	10,000	10,000	7,405
Transfers Out	-	-	(4,603,255)
	10,000	10,000	(4,595,850)
Net Change in Fund Balance	1,550,461	1,550,461	-
Fund Balance - Beginning			6,125,057
Fund Balance - Ending			6,125,057

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, 2019

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	$ 457,900	457,900	482,802
Grants	425,432	425,432	17,713
Interest	2,500	2,500	23,504
Total Revenues	885,832	885,832	524,019
Expenditures			
Capital Outlay	2,098,811	2,098,811	153,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,212,979)	(1,212,979)	370,591
Other Financing Sources			
Transfers In	298,339	298,339	-
Net Change in Fund Balance	(914,640)	(914,640)	370,591
Fund Balance - Beginning			926,265
Fund Balance - Ending			1,296,856

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
- Budgetary Comparison Schedule – Enterprise Fund
- Budgetary Comparison Schedule – 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 FUND

The 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.

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.

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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, 2019

	Budget		
	Original	Final	Actual
General Government			
Office of the Mayor			
Personnel	$ 54,950	54,950	53,172
Professional Fees	75,000	75,000	73,338
Communication	35,500	35,500	24,758
Professional Development	87,750	87,750	62,612
Contractual Services	10,000	10,000	10,000
Supplies	750	750	-
Administration			
Personnel	550,770	550,770	405,329
Maintenance	11,000	11,000	6,966
Professional Fees	500	500	245
Communication	21,500	21,500	16,378
Professional Development	54,700	54,700	30,551
Contractual Services	20,860	20,860	12,552
Supplies	34,700	34,700	32,169
Civil Defense			
Maintenance	21,500	21,500	6,557
Finance			
Personnel	298,069	298,069	244,353
Maintenance	1,000	1,000	1,022
Professional Fees	25,500	25,500	20,224
Communication	2,500	2,500	1,204
Professional Development	5,500	5,500	1,701
Contractual Services	10,043	10,043	7,450
Supplies	27,000	27,000	18,840
Total General Government	1,349,092	1,349,092	1,029,421
Public Safety			
Police Protections			
Personnel	5,728,055	5,728,055	5,304,034
Maintenance	57,000	57,000	49,585
Professional Fees	117,500	117,500	116,559
Communication	373,000	373,000	355,403
Professional Development	68,500	68,500	38,164

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Public Safety - Continued			
Police Protections - Continued			
Contractual Services	$ 132,434	132,434	104,038
Supplies	279,500	279,500	214,641
Police/Fire Commission			
Personnel	14,115	14,115	9,901
Professional Fees	1,000	1,000	-
Professional Development	1,000	1,000	1,012
Supplies	500	500	-
Total Public Safety	6,772,604	6,772,604	6,193,337
Public Works			
Street and Birdge			
Personnel	1,857,594	1,857,594	1,641,769
Maintenance	1,042,500	1,042,500	1,052,057
Professional Fees	38,500	38,500	53,298
Communication	8,000	8,000	6,678
Professional Development	16,000	16,000	6,533
Contractual Services	318,315	318,315	285,432
Supplies	133,500	133,500	124,687
Total Public Works	3,414,409	3,414,409	3,170,454
Solid Waste			
Garbage Disposal			
Contractual Services	1,472,000	1,472,000	1,412,339
Building and Community Development			
Building			
Personnel	526,904	526,904	487,998
Maintenance	65,500	65,500	25,338
Professional Fees	105,000	105,000	86,920
Communication	6,000	6,000	2,235
Professional Development	14,150	14,150	5,630
Contractual Services	12,662	12,662	178,681
Supplies	33,250	33,250	18,224

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Building and Community Development - Continued			
Community Development			
Personnel	$ 313,418	313,418	269,921
Maintenance	4,000	4,000	4,330
Professional Fees	205,000	205,000	178,226
Communication	6,950	6,950	3,820
Professional Development	16,500	16,500	11,305
Contractual Services	9,155	9,155	6,133
Supplies	23,300	23,300	7,839
Total Building and Community Development	1,341,789	1,341,789	1,286,600
Total Expenditures	14,349,894	14,349,894	13,092,151

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, 2019

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental	$ 181,000	181,000	170,362
Charges for Services	155,000	155,000	167,465
Interest	15,000	15,000	210,292
Miscellaneous	33,145	33,145	36,935
Total Revenues	384,145	384,145	585,054
Expenditures			
Public Works			
Professional Services	35,000	35,000	3,094
Capital Outlay	3,976,086	3,976,086	3,174,871
Total Expenditures	4,011,086	4,011,086	3,177,965
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,626,941)	(3,626,941)	(2,592,911)
Other Financing Sources (Uses)			
Transfers In	-	-	4,603,255
Transfers Out	(298,339)	(298,339)	-
	(298,339)	(298,339)	4,603,255
Net Change in Fund Balance	(3,925,280)	(3,925,280)	2,010,344
Fund Balance - Beginning			10,097,648
Fund Balance - Ending			12,107,992

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, 2019

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales and Sewer Fees	$ 10,682,305	10,682,305	11,607,066
Sale of Water Meters	45,000	45,000	55,924
Miscellaneous	17,000	17,000	26,046
Total Operating Revenues	10,744,305	10,744,305	11,689,036
Operating Expenses			
Personnel	2,768,927	2,768,927	2,083,271
Contractual Services	2,958,451	2,958,451	2,809,750
Commodities	896,000	896,000	593,731
Capital Improvements	24,167,197	24,167,197	294,368
Depreciation	-	-	2,967,029
Total Operating Expenses	30,790,575	30,790,575	8,748,149
Operating Income (Loss)	(20,046,270)	(20,046,270)	2,940,887
Nonoperating Revenues (Expenses)			
Disposal of Capital Assets	-	-	(3,643)
IEPA Loan Proceeds	18,997,197	18,997,197	-
Other Income	15,000	15,000	14,239
Interest Income	11,500	11,500	350,032
Interest Expense	(810,579)	(810,579)	(289,515)
	18,213,118	18,213,118	71,113
Change in Net Position	(1,833,152)	(1,833,152)	3,012,000
Net Position - Beginning			94,217,611
Net Position - Ending			97,229,611

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, 2019

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 1,044,764	1,044,764	1,043,322
Contributions - Plan Members	250,000	250,000	262,115
Total Contributions	1,294,764	1,294,764	1,305,437
Investment Income			
Interest Earned	250,000	250,000	573,921
Net Change in Fair Value	-	-	458,471
	250,000	250,000	1,032,392
Less Investment Expenses	-	-	(40,028)
Net Investment Income	250,000	250,000	992,364
Total Additions	1,544,764	1,544,764	2,297,801
Deductions			
Administration	87,500	87,500	38,666
Benefits and Refunds	850,000	850,000	742,151
Total Deductions	937,500	937,500	780,817
Change in Fiduciary Net Position	607,264	607,264	1,516,984
Net Position Restricted for Pensions			
Beginning			13,657,981
Ending			15,174,965

VILLAGE OF FRANKFORT, ILLINOIS

Consolidated Year-End Financial Report
April 30, 2019

CSFA #	Program Name	State	Federal	Other	Totals
422-50-1655	Historic Preservation Fund Grants-In-Aid	$ -	7,000	2,218	9,218
494-00-0967	High-Growth Cities Program	31,413	-	-	31,413
494-00-1003	Congestion Mitigation and Air Quality Improvement Program	-	340,839	90,129	430,968
494-00-1005	Local Federal Bridge Program	-	15,084	3,771	18,855
494-00-1488	Motor Fuel Tax Program	122,015	-	-	122,015
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	4,194	-	4,194
494-42-0495	Local Surface Transportation Program	-	52,581	80,879	133,460
532-60-0377	USEPA Capitalization Grants for Clean Water State Revoling Funds	-	10,741,358	15,397,880	26,139,238
546-00-1737	Sex Offender Registration and Notification Act (SORNA) FFY18	-	14,187	-	14,187
569-00-1669	Law Enforcement Camera Grant	-	4,316	-	4,316
	Other Grant Programs and Activities	-	3,427	3,413	6,840
	All Other Costs Not Allocated	-	-	1,550,979	1,550,979
	Totals	153,428	11,182,986	17,129,269	28,465,683

SUPPLEMENTAL SCHEDULES

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

IEPA (L17-3468) Loan of 2011
April 30, 2019

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
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
	1,158,077	-	1,158,077

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

IEPA (L17-5363) Loan of 2016
April 30, 2019

Date of Issue	June 27 2016
Date of Maturity	November 25, 2036
Authorized Issue	$11,439,376
Interest Rate	1.86%
Interest Date	May 25 and November 25
Principal Maturity Date	November 25
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 508,097	197,671	705,768
2021	517,592	188,176	705,768
2022	527,264	178,504	705,768
2023	537,116	168,652	705,768
2024	547,153	158,615	705,768
2025	557,377	148,391	705,768
2026	567,793	137,975	705,768
2027	578,403	127,365	705,768
2028	589,211	116,557	705,768
2029	600,222	105,546	705,768
2030	611,438	94,330	705,768
2031	622,863	82,905	705,768
2032	634,503	71,265	705,768
2033	646,359	59,409	705,768
2034	658,437	47,331	705,768
2035	670,741	35,027	705,768
2036	683,275	22,493	705,768
2037	696,043	9,725	705,768
	10,753,887	1,949,937	12,703,824

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, 2019 (Unaudited)

	2010	2011	2012
Governmental Activities			
Net Investment in Capital Assets	$ 120,715,536	118,804,946	120,000,011
Restricted	2,437,742	2,695,381	899,726
Unrestricted	17,489,319	17,949,151	16,666,805
Total Governmental Activities Net Position	140,642,597	139,449,478	137,566,542
Business-Type Activities			
Net Investment in Capital Assets	76,721,543	76,611,603	77,274,778
Unrestricted	13,880,529	14,125,485	16,793,024
Total Business-Type Activities Net Position	90,602,072	90,737,088	94,067,802
Net Position			
Net Investment in Capital Assets	197,437,079	195,416,549	197,274,789
Restricted	2,437,742	2,695,381	899,726
Unrestricted	31,369,848	32,074,636	33,459,829
Total Net Position	231,244,669	230,186,566	231,634,344

2013	2014	2015	2016	2017	2018	2019
117,765,489	117,254,446	117,128,772	114,140,516	114,633,501	111,052,299	108,277,749
907,314	964,242	7,085,507	5,383,990	568,666	926,265	1,296,856
17,259,905	15,162,051	6,726,567	(2,941,994)	1,136,771	1,891,938	3,851,177
135,932,708	133,380,739	130,940,846	116,582,512	116,338,938	113,870,502	113,425,782
75,230,401	75,189,807	81,119,996	82,055,859	81,719,708	78,129,382	76,645,300
20,280,390	20,536,633	13,326,091	9,993,638	10,957,613	16,088,229	20,584,311
95,510,791	95,726,440	94,446,087	92,049,497	92,677,321	94,217,611	97,229,611
192,995,890	192,444,253	198,248,768	196,196,375	196,353,209	189,181,681	184,923,049
907,314	964,242	7,085,507	5,383,990	568,666	926,265	1,296,856
37,540,295	35,698,684	20,052,658	7,051,644	12,094,384	17,980,167	24,435,488
231,443,499	229,107,179	225,386,933	208,632,009	209,016,259	208,088,113	210,655,393

VILLAGE OF FRANKFORT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	$ 1,469,129	1,592,496	1,138,215	1,169,996	1,395,084	1,263,524	3,332,029	2,557,616	1,817,834	1,429,444
Community Development	904,795	815,549	937,494	1,009,932	908,189	1,104,635	1,356,325	1,083,800	1,060,317	1,355,137
Public Safety	5,117,412	5,221,773	5,224,525	5,209,916	5,422,269	5,866,812	7,179,980	6,360,475	6,594,006	6,828,855
Public Works	7,598,182	7,379,627	8,282,750	8,101,812	8,758,146	9,115,705	7,386,535	6,497,624	7,428,788	8,398,601
Solid Waste	1,206,237	1,222,835	1,283,755	1,301,292	1,286,640	1,358,153	1,373,180	1,417,644	1,397,520	1,412,339
Interest	131,449	168,141	175,793	98,056	63,732	26,606	-	-	-	-
	16,427,204	16,400,421	17,042,532	16,891,004	17,834,060	18,735,435	20,628,049	17,917,159	18,298,465	19,424,376
Business-Type Activities										
Waterworks and Sewerage	6,012,050	6,492,174	7,180,786	6,504,073	7,537,359	8,317,325	9,077,684	8,209,968	8,702,533	9,041,307
Total Expenses	22,439,254	22,892,595	24,223,318	23,395,077	25,371,419	27,052,760	29,705,733	26,127,127	27,000,998	28,465,683
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	888,042	784,299	1,953,856	916,323	867,087	1,596,632	1,620,303	1,533,846	1,563,728	1,678,742
Community Development	404,301	356,065	393,966	454,948	557,223	-	-	-	-	-
Public Safety	316,869	342,489	445,238	326,257	286,908	541,833	556,228	560,164	169,484	121,794
Public Works	263,374	140,664	46,659	418,449	92,511	587,238	356,419	306,940	172,782	167,465
Solid Waste	248,141	270,424	261,971	260,822	263,076	246,178	268,654	274,725	874,912	1,344,024
Operating Grants/Contributions	465,789	595,797	490,791	479,559	494,933	468,251	505,304	494,854	608,836	38,293
Capital Grants/Contributions	-	381,636	2,710,893	378,475	349,361	104,574	443,223	2,511,139	47,476	853,459
	2,586,516	2,871,374	6,303,374	3,234,833	2,911,099	3,544,706	3,750,131	5,681,668	3,437,218	4,203,777
Business-Type Activities										
Charges for Services	6,824,853	7,022,950	7,053,428	8,063,017	7,926,304	7,638,725	7,726,967	8,702,382	10,150,435	11,689,036
Capital Grants/Contributions	714,098	-	-	43,240	-	-	-	55,000	-	-
	7,538,951	7,022,950	7,053,428	8,106,257	7,926,304	7,638,725	7,726,967	8,757,382	10,150,435	11,689,036
Total Program Revenues	10,125,467	9,894,324	13,356,802	11,341,090	10,837,403	11,183,431	11,477,098	14,439,050	13,587,653	15,892,813
Net (Expenses) Revenues										
Governmental Activities	(13,840,688)	(13,529,047)	(10,739,158)	(13,656,171)	(14,922,961)	(15,190,729)	(16,877,918)	(12,235,491)	(14,861,247)	(15,220,599)
Business-Type Activities	1,526,901	530,776	(127,358)	1,602,184	388,945	(678,600)	(1,350,717)	547,414	1,447,902	2,647,729
Total Net (Expenses) Revenues	(12,313,787)	(12,998,271)	(10,866,516)	(12,053,987)	(14,534,016)	(15,869,329)	(18,228,635)	(11,688,077)	(13,413,345)	(12,572,870)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	$ 4,025,035	4,014,041	3,928,562	3,757,175	3,637,695	3,541,613	3,547,862	3,565,618	3,697,632	3,774,240
Utility	-	-	-	-	-	-	-	-	1,326,531	1,938,633
Intergovernmental										
State Sales	4,542,701	4,807,023	4,953,732	5,116,556	5,756,785	5,797,015	6,078,143	6,004,269	6,048,104	5,942,547
State Income	1,271,976	1,276,267	1,516,599	1,672,487	1,698,153	1,791,461	1,818,863	1,676,626	1,618,056	1,839,642
Replacement	49,348	54,386	49,155	48,721	55,772	54,238	57,438	63,357	49,120	51,911
Earning on Investment	294,917	173,676	54,178	35,708	30,786	59,032	31,886	51,246	112,255	393,571
Other Income	1,722,342	1,369,535	1,621,364	726,090	526,201	817,102	410,480	630,801	678,755	835,335
Transfers - Interfund Activity	640,000	641,000	(3,267,368)	665,600	665,600	690,375	183,713	-	-	-
Total Governmental Activities	12,546,319	12,335,928	8,856,222	12,022,337	12,370,992	12,750,836	12,128,385	11,991,917	13,530,453	14,775,879
Business-Type Activities										
Earnings on Investments	164,296	93,132	22,704	37,385	38,926	59,295	49,484	28,803	64,340	350,032
Gain (loss) on Disposal of Capital Assets	-	(3,013)	-	2,341	-	-	-	-	-	-
Other Income	124,427	155,121	168,000	466,679	453,378	29,327	33,519	51,607	28,048	14,239
Transfers - Interfund Activity	(640,000)	(641,000)	3,267,368	(665,600)	(665,600)	(690,375)	-	-	-	-
Total Business-Type Activities	(351,277)	(395,760)	3,458,072	(159,195)	(173,296)	(601,753)	83,003	80,410	92,388	364,271
Total General Revenues and Other Changes in Net Position	12,195,042	11,940,168	12,314,294	11,863,142	12,197,696	12,149,083	12,211,388	12,072,327	13,622,841	15,140,150
Changes in Net Position										
Governmental Activities	(982,728)	1,596,770	(4,799,949)	(2,900,624)	(2,819,737)	(2,439,893)	(4,749,533)	(243,574)	(1,330,794)	(444,720)
Business-Type Activities	179,499	(523,118)	5,060,256	229,750	(851,896)	(1,280,353)	(1,267,714)	627,824	1,540,290	3,012,000
Total Changes in Net Position	(803,229)	1,073,652	260,307	(2,670,874)	(3,671,633)	(3,720,246)	(6,017,247)	384,250	209,496	2,567,280

Data Source: Audited Financial Statements

VILLAGE OF FRANKFORT, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012
General Fund			
Unreserved	$ 1,272,273	-	-
Nonspendable	-	-	-
Unassigned	-	1,513,492	2,872,910
Total General Fund	1,272,273	1,513,492	2,872,910
All Other Governmental Funds			
Reserved	4,097,090	-	-
Unreserved	16,935,337	-	-
Restricted	-	1,610,789	899,726
Assigned	-	19,967,570	16,177,935
Total All Other Governmental Funds	21,032,427	21,578,359	17,077,661
Total Governmental Funds	22,304,700	23,091,851	19,950,571

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.

2013	2014	2015	2016	2017	2018	2019
-	-	-	-	-	-	-
-	-	-	-	300,361	-	-
2,014,386	1,974,361	2,456,397	1,435,089	5,802,314	6,125,057	6,125,057
2,014,386	1,974,361	2,456,397	1,435,089	6,102,675	6,125,057	6,125,057
-	-	-	-	-	-	-
-	-	-	-	-	-	-
907,314	964,242	7,085,507	5,383,990	568,666	926,265	1,296,856
17,177,629	14,982,283	5,587,701	7,917,827	8,037,721	10,097,648	12,107,992
18,084,943	15,946,525	12,673,208	13,301,817	8,606,387	11,023,913	13,404,848
20,099,329	17,920,886	15,129,605	14,736,906	14,709,062	17,148,970	19,529,905

VILLAGE OF FRANKFORT, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012
Revenues			
Taxes			
Property	$ 4,025,035	4,014,041	3,928,562
Utility	-	-	-
Intergovernmental			
State Sales	4,542,701	4,807,023	4,953,732
State Use	-	-	-
State Income	1,271,976	1,276,267	1,516,599
Motor Fuel	435,669	436,667	463,214
Replacement	49,348	54,386	49,155
Licenses and Permits	1,080,861	969,484	2,146,580
Charges for Services and Fees	767,495	641,719	566,714
Fees by Agreement	25,979	7,316	17,763
Fines and Forfeits	246,392	275,422	370,633
Grants	30,120	540,766	843,122
Interest	294,917	173,676	54,178
Other Income	1,722,342	1,369,535	1,621,364
Total Revenues	14,492,835	14,566,302	16,531,616
Expenditures			
General Government	1,382,816	1,499,853	1,085,480
Community Development	861,454	764,484	853,432
Public Safety	4,764,634	4,815,647	5,169,660
Public Works	3,449,200	3,902,499	4,683,187
Solid Waste	1,206,237	1,222,835	1,283,755
Capital Outlay	3,154,086	1,574,233	2,689,414
Debt Service			
Principal	295,917	275,770	256,493
Interest and Fiscal Charges	344,083	364,830	384,107
Total Expenditures	15,458,427	14,420,151	16,405,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	(965,592)	146,151	126,088
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	-
Transfers In	2,285,000	1,986,000	1,343,437
Transfers Out	(1,645,000)	(1,345,000)	(4,610,805)
	640,000	641,000	(3,267,368)
Net Change in Fund Balances	(325,592)	787,151	(3,141,280)
Debt Service as a Percentage of Noncapital Expenditures	4.80%	5.00%	5.40%

2013	2014	2015	2016	2017	2018	2019
3,757,175	3,637,695	3,900,889	3,547,862	3,565,618	3,697,632	3,774,240
-	-	-	-	-	1,326,531	1,938,633
5,116,556	5,756,785	6,156,291	6,488,623	6,442,710	6,048,104	5,942,547
-	-	-	-	-	467,728	540,628
1,672,487	1,698,153	1,791,461	1,818,863	1,676,626	1,618,056	1,839,642
452,672	471,415	468,251	487,332	483,219	485,908	500,515
48,721	55,772	54,238	57,438	63,357	49,120	51,911
1,092,548	1,000,420	1,472,717	1,606,092	1,478,158	972,226	1,064,920
992,468	809,238	949,794	985,875	1,040,612	1,633,558	2,093,455
40,563	45,368	-	-	-	-	-
251,220	211,779	190,094	209,637	156,905	175,122	153,650
405,362	372,879	104,574	461,195	261,811	170,404	208,655
35,708	30,786	59,032	31,886	51,246	112,255	393,571
726,090	526,201	457,826	183,713	192,360	211,027	294,707
14,591,570	14,616,491	15,605,167	15,878,516	15,412,622	16,967,671	18,797,074
1,097,929	1,252,249	1,226,492	1,212,974	1,179,576	1,161,025	1,029,421
875,112	824,135	1,026,036	990,264	1,008,065	972,944	1,286,600
5,502,632	5,207,943	5,590,913	5,806,743	5,914,044	5,993,216	6,193,337
3,568,188	4,579,825	3,954,226	3,963,254	3,353,639	3,040,776	3,173,548
1,301,292	1,286,640	1,358,153	1,373,180	1,417,644	1,397,520	1,412,339
2,097,659	3,644,142	5,275,911	2,938,387	2,580,039	1,966,920	3,328,299
240,045	234,076	690,000	-	-	-	-
425,555	431,524	375	-	-	-	-
15,108,412	17,460,534	19,122,106	16,284,802	15,453,007	14,532,401	16,423,544
(516,842)	(2,844,043)	(3,516,939)	(406,286)	(40,385)	2,435,270	2,373,530
-	-	35,283	13,587	12,541	4,638	7,405
3,555,600	3,429,014	3,463,386	6,097,564	7,301,970	3,600,000	4,603,255
(2,890,000)	(2,763,414)	(2,773,011)	(6,097,564)	(7,301,970)	(3,600,000)	(4,603,255)
665,600	665,600	725,658	13,587	12,541	4,638	7,405
148,758	(2,178,443)	(2,791,281)	(392,699)	(27,844)	2,439,908	2,380,935
4.80%	4.60%	4.40%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF FRANKFORT, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2019 (Unaudited)

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
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
2017	739,990,205	2,896,756	90,962,121	39,498,673
2018	765,931,150	3,001,482	92,756,943	39,461,243

Data Source: County Assessor

Total	Railroad	Total Assessed Value	Assessed Value as a Percentage of Estimated Actual Value	Total Direct Tax Rate
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
873,347,755	480,014	873,827,769	33.33	0.4315
901,150,818	505,391	901,656,209	33.33	0.4281

VILLAGE OF FRANKFORT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2019 (Unaudited)

	2009	2010	2011	2012
Village of Frankfort				
Corporate	$ 0.0391	0.0142	0.0040	0.0057
Police Protection	0.1263	0.1304	0.1366	0.1425
Garbage Disposal	0.0695	0.0718	0.0649	0.0499
I.M.R.F	0.0227	0.0234	0.0245	0.0256
Social Security	0.0316	0.0326	0.0342	0.0357
Police Pension	0.0508	0.0674	0.0750	0.0797
Road and Bridge	0.0845	0.0852	0.0875	0.0918
Total Direct Tax Rate	0.4245	0.4250	0.4267	0.4309
Overlapping Rates				
Will County Forest Preserve District	0.1519	0.1567	0.1693	0.1859
Will County	0.4833	0.5077	0.5351	0.5696
Will County Building Comm.	0.0191	0.0197	0.0200	0.0212
Frankfort Township Funds	0.0782	0.0822	0.0858	0.0896
Frankfort Township Road Funds	0.1079	0.1092	0.1119	0.1228
Frankfort Fire Protection District	0.5769	0.6212	0.6667	0.7272
Frankfort School District #157-C	3.2100	3.4608	3.6144	3.7572
Crete-Monee School District #201-U	5.2375	5.7261	6.3487	7.2682
Peotone School District #207-U	3.3430	3.4495	3.6624	4.0915
Lincoln-Way High School District #210	1.6067	1.7045	1.8306	1.9190
Prairie State Community College District #515	0.2606	0.3025	0.3472	0.4321
Joliet Community College District #525	0.2144	0.2270	0.2463	0.2768
Frankfort Park District	0.1752	0.1858	0.1959	0.2089
Frankfort Square Park District	0.4399	0.5180	0.5382	0.5846
Frankfort Public Library	0.1585	0.1703	0.1827	0.1843
Mokena Community Library District	0.3036	0.3206	0.3424	0.3709
Mokena Fire District	0.7303	0.7900	0.8442	0.9107
Green Garden Township Fund	0.0942	0.0989	0.1093	0.1232
Green Garden Township Road Fund	0.3084	0.3239	0.3580	0.4034
Monee Township Fund	0.1415	0.1542	0.1702	0.1959
Monee Township Road Fund	0.2092	0.2279	0.2515	0.2896
Monee Fire Protection District	0.6718	0.7375	0.7817	0.7834
Peotone Library District	0.0766	0.0815	0.0890	0.1009
Mokena Community Park District	0.2512	0.2579	0.2830	0.3030
Summit Hill School District #161	2.9894	3.1874	3.3782	3.6596
Total Direct and Overlapping Tax Rate	22.2638	23.8460	25.5894	28.0104

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.

2013	2014	2015	2016	2017	2018
0.0024	0.0045	0.0062	0.0051	0.0050	0.0051
0.1492	0.1517	0.1486	0.1560	0.1374	0.1399
0.0392	0.0247	0.0219	0.0068	-	-
0.0268	0.0273	0.0267	0.0281	0.0326	0.0264
0.0249	0.0254	0.0248	0.0261	0.0440	0.0436
0.0965	0.1053	0.1106	0.1166	0.1196	0.1235
0.0990	0.1055	0.1017	0.0981	0.0929	0.0896
0.4380	0.4444	0.4405	0.4368	0.4315	0.4281
0.1970	0.1977	0.1937	0.1944	0.1895	0.1504
0.5994	0.6210	0.6140	0.6121	0.5986	0.5927
0.0222	0.0223	0.0218	0.0026	-	-
0.0960	0.0998	0.0998	0.0962	0.0951	0.0926
0.0205	0.1167	0.1138	0.1097	0.1083	0.1061
0.7840	0.8157	0.8224	0.8078	0.8084	0.8108
3.9318	4.0179	4.0362	3.9139	3.8339	3.6675
8.1372	8.8188	8.6262	8.6810	8.7142	8.4857
4.4680	4.5933	4.6250	4.5481	4.5288	4.5453
2.0650	2.1394	2.1594	2.1189	2.1207	2.1292
0.4429	0.4585	0.4703	0.5537	0.4577	0.4481
0.2955	0.3066	0.3065	0.3099	0.2994	0.2924
0.2215	0.2286	0.2302	0.2268	0.2263	0.2274
0.6265	0.6527	0.6699	0.6433	0.6382	0.6274
0.1988	0.2049	0.2067	0.2033	0.2025	0.2035
0.3229	0.3169	0.3392	0.3338	0.3327	0.3335
0.9684	1.0097	1.0245	1.0093	1.0095	1.0126
0.1350	0.1383	0.1387	0.1350	0.1378	0.1386
0.4419	0.4526	0.4538	0.4417	0.4508	0.4533
0.2160	0.2288	0.2284	0.2185	0.2177	0.2206
0.1761	0.3383	0.3378	0.3231	0.3219	0.3262
0.9056	0.9489	0.9502	0.9087	0.9040	0.8968
0.1102	0.1138	0.1134	0.1092	0.1089	0.1079
0.3184	0.3234	0.3255	0.3208	0.3175	0.3160
3.9036	4.1112	4.1590	4.1149	4.1024	4.1247
30.0424	31.7202	31.7069	31.3735	31.1563	30.7374

VILLAGE OF FRANKFORT, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2019 (Unaudited)

	2019			2010		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Pactiv Corp	$ 4,954,600	1	0.55%	$ 5,187,074	2	0.55%
Frankfort Station LLC	3,727,734	2	0.41%			
Inland Prairie Crossings LLC	3,083,613	3	0.34%			
CAB Holdings Inc.	2,967,989	4	0.33%	3,156,654	7	0.33%
Butera Center Management Inc.	2,394,800	5	0.27%	3,399,673	6	0.36%
Charm III LLC-Home Depot USA	2,118,602	6	0.23%	4,856,054	4	0.51%
Kohl's Illinois Inc.	1,674,400	7	0.19%	2,620,441	10	0.28%
Realty Income IL Properties 2	1,587,558	8	0.18%			
Performance Management	1,316,667	9	0.15%			
Crown Centre Frankfort LLC	1,314,740	10	0.15%			
Frankfort 30 & Wolf LLC				6,657,663	1	0.70%
Regency Centers LP				5,004,606	3	0.53%
North Star Trust Company				3,976,696	5	0.42%
Harris NA				3,136,179	8	0.33%
McEnery William				2,942,503	9	0.31%
	25,140,703		2.79%	40,937,543		4.32%

Data Source: County Board of Equalization and Assessment

VILLAGE OF FRANKFORT, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years
April 30, 2019 (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
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	3,685,244	100.00%	-	3,685,244	100.00%
2017	3,780,687	3,774,240	99.83%	-	3,774,240	99.83%
2018	3,870,791	N/A	N/A	N/A	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, 2019 (Unaudited)

	Government Activities	Business-Type Activities				
Fiscal Year	General Obligation Bonds (2)	Illinois EPA Loan	General Obligation Bonds (2)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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	1.56%	642.15
2018	-	22,187,847	-	22,187,847	2.41%	1,129.50
2019	-	47,159,329	-	47,159,329	4.95%	2,363.05

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, 2019 (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)
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%	-
2018	-	-	-	0.00%	-
2019	-	-	-	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, 2019 (Unaudited)

Governmental Unit	Gross Debt	*Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Frankfort	$ -	100.000 %	$ -
Will County	303,100,885	4.445 %	13,472,834
Will County Forest Preserve	97,975,000	4.445 %	4,354,989
Park Districts:			
Frankfort	250,000	99.162 %	247,905
Frankfort Square	1,053,176	19.938 %	209,982
Mokena Community	7,698,000	1.271 %	97,842
School Districts			
Frankfort SD # 157-C	14,384,298	92.822 %	13,351,793
Summit Hill SD #161	49,660,767	12.618 %	6,266,196
Lincoln Way HSD #210	145,305,485	22.791 %	33,116,573
Crete-Monee SD #201-U	57,648,220	0.058 %	33,436
Peotone SD #207-U	13,229,180	2.028 %	268,288
Prairie State Community College	11,923,465	0.012 %	1,431
Joliet Community College #525	73,435,000	4.524 %	3,322,199
	775,663,476		74,743,468
Totals	775,663,476		74,743,468

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, 2019 (Unaudited)

	Waterworks and Sewerage Revenue Bonds					
Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3) Principal	Debt Service (3) Interest	Coverage
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
2018	10,214,775	5,689,364	4,525,411	290,251	84,240	12.08
2019	12,039,068	5,781,120	6,257,948	588,250	289,515	7.13

(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, 2019 (Unaudited)

	2010	2011	2012	2013
Assessed Valuation	$ 950,610,840	920,335,249	878,565,527	842,163,876
Bonded Debt Limit - 8.625% of Assessed Value	81,990,185	79,378,915	75,776,277	72,636,634
Less: General Obligation Bonds (1)	6,640,447	5,457,988	1,796,957	1,265,637
Legal Debt Margin	75,349,738	73,920,927	73,979,320	71,370,997
Percentage of Legal Debt Margin to Bonded Debt Limit	91.90%	93.12%	97.63%	98.26%

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 Statuses.

(1) Includes accrued interest on capital appreciation bonds.

2014	2015	2016	2017	2018	2019
804,772,884	795,842,797	807,577,029	841,663,276	873,827,769	901,656,209
69,411,661	68,644,157	69,653,519	72,593,458	75,367,645	77,767,848
663,769	-	-	-	-	-
68,747,892	68,644,157	69,653,519	72,593,458	75,367,645	77,767,848
99.04%	100.00%	100.00%	100.00%	100.00%	100.00%

VILLAGE OF FRANKFORT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level Age 25 and Older: High School	Education Level Age 25 and Older: Four Years or More College	School Enrollment	Unemployment Rate
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%
2018	19,644	921,402	46,905	43.3	11,866	6,837	8,342	3.4%
2019	19,957	952,568	47,731	42.9	11,902	6,799	8,238	3.7%

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, 2019 (Unaudited)

	2019			2010		
Employer	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Administrative and Waste Management Services	1,625	1	N/A	N/A	N/A	N/A
Retail Trade	1,542	2	N/A	N/A	N/A	N/A
Accommodation and Food Services	1,042	3	N/A	N/A	N/A	N/A
Construction	923	4	N/A	N/A	N/A	N/A
Manufacturing	919	5	N/A	N/A	N/A	N/A
Health Care and Social Assistance	817	6	N/A	N/A	N/A	N/A
Other Services	560	7	N/A	N/A	N/A	N/A
Professional, Scientific and Technical Services	447	8	N/A	N/A	N/A	N/A
Finance and Insurance	281	9	N/A	N/A	N/A	N/A
Wholesale Trade	279	10	N/A	N/A	N/A	N/A
	8,435		N/A	N/A		N/A

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, 2019 (Unaudited)

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	16	16	17	18	16	14	16	16	13	13
Public Safety	30	30	30	30	28	28	28	27	27	29
Public Works	15	15	15	15	16	18	18	16	16	16
Building and Community Development	6	5	5	6	6	6	5	5	5	5
Waterworks and Sewage	15	15	17	17	18	21	21	20	20	21
Totals	82	81	84	86	84	87	88	84	81	84

Data Source: Various Village Records

VILLAGE OF FRANKFORT, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Function/Program	2010	2011	2012	2013
Police				
Arrests	954	324	430	510
Traffic Violation	7,826	7,062	7,945	7,955
Parking Violations	210	268	176	190
Public Works				
Street Resurfacing (Miles)	2.002	2.222	2.100	2.290
Building and Community Development				
Building Permits Issued	34	56	43	81
Building Value	11,250,550	20,029,836	15,888,636	27,142,572
Inspections	816	1,344	1,032	3,517
Solid Waste				
Refuse Collected (Tons/Day)	22.24	21.57	20.69	20.53
Recyclables Collected (Tons/Day)	6.99	6.51	5.54	5.58
Waterworks and Sewage				
Number of Customers	10,615	10,651	10,699	10,782
Average Daily Consumption	2,589,476	2,644,642	2,566,709	2,873,849
Total Gallons Billed	945,158,695	965,294,348	936,848,945	1,048,954,966

Data Source: Various Village Records

2014	2015	2016	2017	2018	2019
355	535	420	413	405	492
7,994	9,404	9,647	7,771	7,641	7,358
227	249	255	249	271	301
2.200	1.900	0.510	1.880	1.909	2.680
94	92	82	88	89	109
31,490,000	34,500,000	30,750,000	34,555,822	29,435,000	42,599,550
3,063	3,881	3,611	3,031	3,398	3,290
20.93	22.51	23.63	24.88	25.87	23.94
5.21	5.74	5.85	5.87	6.01	5.48
10,872	10,782	10,825	10,901	11,008	11,086
2,628,101	2,322,122	2,311,614	2,422,209	2,485,096	2,371,596
959,256,723	847,574,374	843,739,148	884,106,133	907,060,154	865,632,367

VILLAGE OF FRANKFORT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	15	16	16	16	16	16	16	16	16	19
Public Works										
Streets (Miles)	120	120	120	120	130	130	130	130	130	130
Streetlights	1,419	1,419	1,429	1,432	1,444	1,452	1,454	1,455	1,455	1,455
Storm Sewers (Miles)	80	80	80	80	80	80	80	80	81	81
Storm Inlets	2,733	2,733	2,738	2,744	2,753	2,753	2,753	2,753	2,765	2,765
Waterworks and Sewerage										
Water Mains (Miles)	159	159	159	159	208	208	208	209	209	209
Fire Hydrants	2,433	2,433	2,433	2,435	2,836	2,836	2,837	2,840	2,840	2,840
Sanitary Sewers (Miles)	158	158	158	158	181	181	181	182	182	182
Manholes	3,062	3,062	3,062	3,064	4,341	4,341	4,341	4,351	4,351	4,351

Data Source: Various Village Records