



Annual Comprehensive Financial Report

Fiscal Year Ended
April 30, 2023

Frankfort, Illinois 60423

VILLAGE OF FRANKFORT, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2023

Prepared by:

Robert E. Piscia
Village Administrator

Jenni Booth
Finance Director

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Principal Officials	1
Organizational Chart	2
Transmittal Letter	3
Certificate of Achievement for Excellence in Financial Reporting	7

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	10
-------------------------------------	--------------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	14
---	--------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	27
Statement of Activities	29
Fund Financial Statements	
Balance Sheet - Governmental Funds	31
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position - Governmental Activities	32
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities - Governmental Activities	34
Statement of Net Position - Proprietary Fund	35
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	37
Statement of Cash Flows - Proprietary Fund	38
Statement of Fiduciary Net Position	39
Statement of Changes in Fiduciary Net Position	40
Notes to Financial Statements	41

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	76
Police Pension Fund	77
Schedule of Changes in the Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	79
Police Pension Fund	81

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

REQUIRED SUPPLEMENTARY INFORMATION - Continued

Schedule of Investment Returns	
Police Pension Fund	<u>83</u>
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefits Plan	<u>85</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	<u>87</u>
Motor Fuel Tax - Special Revenue Fund	<u>88</u>

OTHER SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Budget and Actual	
General Fund	<u>92</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Capital Development - Capital Projects Fund	<u>95</u>
Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual	
Waterworks and Sewerage - Enterprise Fund	<u>96</u>
Schedule of Changes in Fiduciary Net Position - Budget and Actual	
Police Pension - Pension Trust Fund	<u>97</u>

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
Illinois Environmental Protection Agency (IEPA) (L17-3468) Loan of 2011	<u>99</u>
Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016	<u>100</u>
Illinois Environmental Protection Agency (IEPA) (L17-5388) Loan of 2017	<u>101</u>
Illinois Environmental Protection Agency (IEPA) (L17-5408) Loan of 2019	<u>102</u>
Consolidated Year-End Financial Report	<u>103</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	<u>104</u>

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

PAGE

STATISTICAL SECTION (Unaudited)

Net Position by Component - Last Ten Fiscal Years	<u>108</u>
Change in Net Position - Last Ten Fiscal Years	<u>110</u>
Fund Balances of Governmental Funds - Last Ten Fiscal Years	<u>112</u>
Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years	<u>114</u>
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	<u>116</u>
Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years	<u>118</u>
Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago	<u>120</u>
Property Tax Levies and Collections - Last Ten Tax Levy Years	<u>121</u>
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	<u>122</u>
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	<u>123</u>
Schedule of Direct and Overlapping Bonded Debt	<u>124</u>
Pledged-Revenue Coverage - Last Ten Fiscal Years	<u>125</u>
Legal Debt Margin - Last Ten Fiscal Years	<u>126</u>
Demographic and Economic Statistics - Last Ten Fiscal Years	<u>128</u>
Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago	<u>129</u>
Full-Time Equivalent Village Government Employees by Function/Program	
Last Ten Fiscal Years	<u>130</u>
Operating Indicators by Function/Program - Last Ten Fiscal Years	<u>132</u>
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	<u>134</u>

INTRODUCTORY SECTION

This section includes:

List of Principal Officials

Organizational Chart

Transmittal Letter

Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF FRANKFORT, ILLINOIS

Principal Officials

April 30, 2023

VILLAGE MAYOR

Keith Ogle

VILLAGE BOARD OF TRUSTEES

Katie Schubert, Clerk

Adam Borrelli, Trustee

Jessica Petrow, Trustee

Michael Leddin, Trustee

Daniel Rossi, Trustee

Maura Rigoni, Trustee

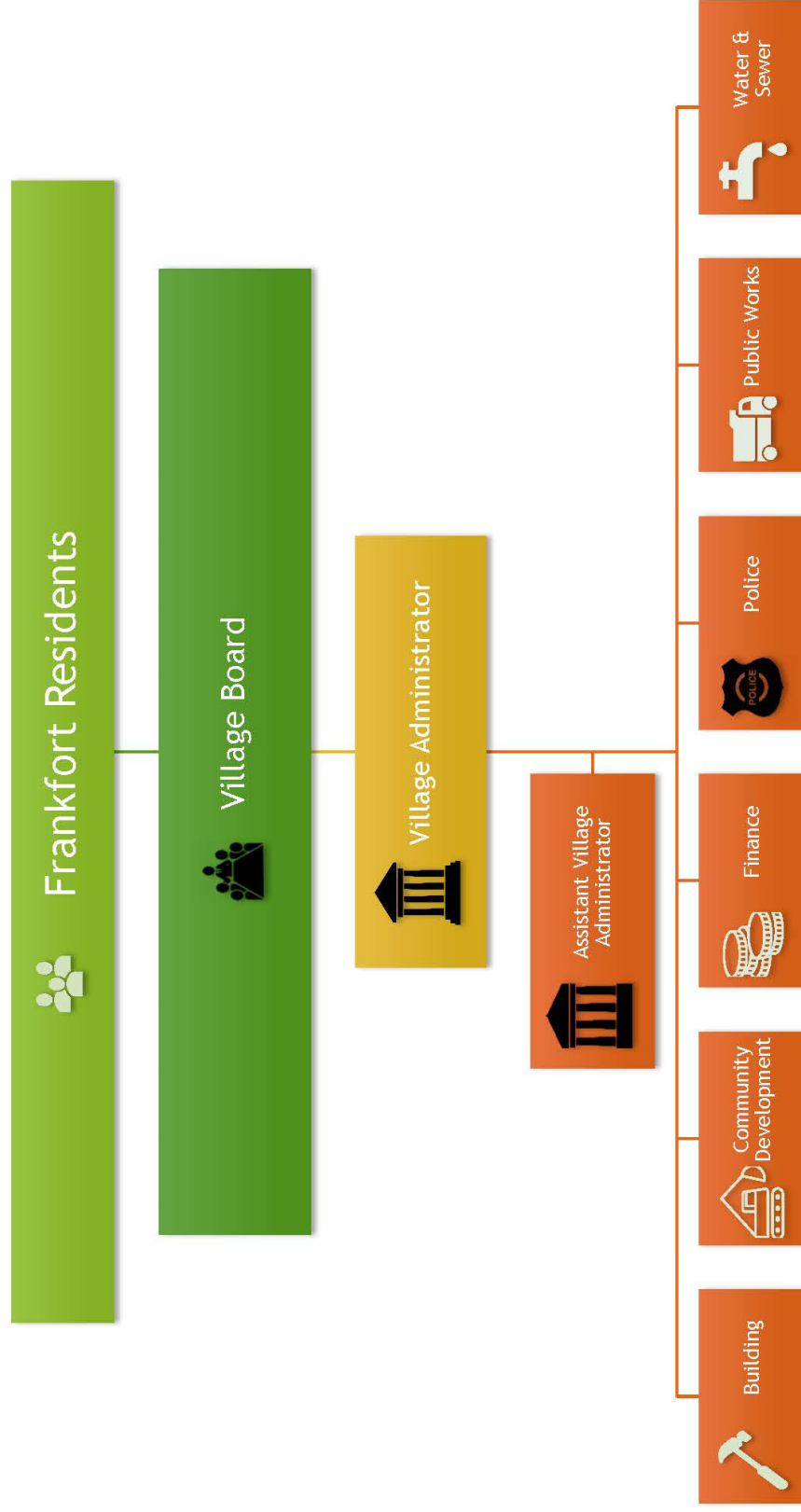
Eugene Savaria, Trustee

ADMINISTRATION

Robert E. Piscia, Village Administrator

George Mahoney, Village Attorney

VILLAGE OF FRANKFORT ORGANIZATION CHART





August 30, 2023

The Citizens of the Village of Frankfort, Illinois
Honorable President Ogle and Board of Trustees

Transmittal of the Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report of the Village of Frankfort for the fiscal year ended April 30, 2023, is hereby submitted. State law requires that every general-purpose government publish within six months of the close of each fiscal year a complete set of audited financial statements. In accordance with that law, the report includes the Village of Frankfort's financial statements presented in accordance with generally accepted accounting principles in the United States of America (GAAP).

Responsibility for the accuracy of data, completeness and fairness of the presentation, and all disclosures rests with the Village. A comprehensive framework of internal controls has been established to provide reasonable assurance that the financial statements are free of any material misstatements. The Village of Frankfort's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. Lauterbach & Amen, LLP has issued an unmodified ("clean") opinion on the Village of Frankfort's financial statements for the year ended April 30, 2023. The auditor's report is presented as the first component of the financial section of this report.

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.

Village Profile

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 21,268 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 WWW.FRANKFORT.IL.ORG

MAYOR *Keith Ogle* VILLAGE CLERK *Katie Schubert*

VILLAGE TRUSTEES *Adam Borrelli Michael Leddin Jessica Petrow Maura Rigoni Daniel Rossi Eugene Savaria*

The Village of Frankfort provides municipal services including police protection, economic development, building and zoning, public works, solid waste and recycling disposal, water, sewer, and administration.

The Village's mission is to encourage opportunities through planning, commitment, and community involvement by showcasing the charms of the community that embraces new ideas while treasuring its past.

Local Economy

There are several factors that impact the local finances of the Village. The Village is impacted by regional, state, and national economic conditions as well as governance of the State of Illinois. Several important revenue sources are affected by economic conditions beyond the Village's control. These sources include, but are not limited to sales tax, building permit fees, income tax, and motor fuel tax. The Village's opportunity to implement new revenues is relatively limited due to its non-home rule status. The State of Illinois may also impact revenues through legislative changes. An example of this is the formula for shared income tax.

The Village remains in a strong financial position as evidenced by an excellent performance of some of the Village's largest revenue sources. Sales tax continues to be the largest revenue source and has increased significantly over the past five years despite a temporary downturn in 2020 due to the pandemic. Sales tax rebounded with the change in Illinois law which now enforces collections on internet sales transactions. Also, the Village's non-home rule sales tax, which was implemented in the fall of 2019, has had a significant impact on overall sales tax growth. Income tax continued to benefit from several positive factors including an improving labor market and increased corporate income tax receipts. The Village also received the 2nd tranche of the Federal American Rescue Plan Act funding which is intended to assist local governments in recovering from the pandemic. Water and sewer receipts continue to sufficiently support operations and capital improvements. All of these major sources of revenues continue to help support future capital needs within the Village including the street resurfacing program and water and sewer infrastructure projects.

Rising costs due to inflation and supply chain issues for projects and services continue to impact the Village's expenditures. Infrastructure projects are coming in over original estimates and items such as vehicle purchases have seen a delay. Despite these obstacles, operating expenditures for the fiscal year came in under budgeted projections, which was a result of conservative spending by the departments.

Long-term Financial Planning

The Village continues to analyze its long-term financial plan and strives to maintain healthy fund balances, especially during these uncertain times. In recent years, the Frankfort residents approved a non-home rule sales tax increase with a focus on public safety and infrastructure improvements. Since the passing of the non-home rule sales tax measure, the Village Board enhanced public safety by hiring additional police officers. In addition, the Village Board has significantly increased the street resurfacing efforts to address road conditions. Both of these efforts are ongoing and continue to be addressed in the long-term financial plan.

As in the past, the Motor Fuel Tax Fund (MFT) supports grant projects for road improvements. The Village's local match for grants will continue to be funded with MFT funds. The design engineering has been completed for the Pfeiffer Road Extension Project and construction is scheduled to begin this fall. This project will be partially funded with the Rebuild Illinois Bond Funds. The Village anticipates receiving additional grant funding for this project as well.

The Village of Frankfort enters fiscal year 2024 on a sound financial basis. The Village expects the General Fund to continue to generate excess 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 improvements. The Village continually analyzes various expense controls and funding sources through its long-term financial planning process. The Village Board and staff's sound management of fund reserves and conservative spending habits continue to contribute to the Village's financial stability.

Relevant Financial Policies

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.

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 using departmental internal management reports. These internal management reports are utilized to analyze actual versus budget amounts. These reports are also shared with the Village President and Village Board and favorable and unfavorable variances are analyzed and discussed.

Awards

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 annual comprehensive 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-four consecutive years: from fiscal year 1989 to 2022.

The Village of Frankfort is herewith submitting the enclosed financial report for fiscal year ended April 30, 2023, 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 President and Board members to annually be eligible for the Certificate of Achievement award.

Acknowledgments

The preparation of the annual comprehensive 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 Annual Comprehensive Financial Report, and for their responsible and progressive approach that contributes to the financial strength of the Village of Frankfort.

Respectfully submitted,



Robert Piscia
Village Administrator



Jenni Booth
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Frankfort
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

August 30, 2023

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

Report on the Audit of the Financial Statements

Opinion

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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2023, on our consideration of the August 30, 2023'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 August 30, 2023'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 August 30, 2023'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, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with the information provided in the letter of transmittal, located in the introductory section 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 Village's overall net position increased by 2.5% as a result of this fiscal year's operations. Net position of governmental activities increased by \$1,284,458 or 1.0%. Net position of business-type activities increased by \$4,311,104 or 4.2%. These positive changes in net position will fund future capital projects included in the Village's long-term plan.
- The assets/deferred outflows of the Village exceeded its liabilities/deferred inflows at the close of this year by \$231,321,696 (net position). Of this amount, \$52,519,865 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Police Pension Fund's plan fiduciary net position as a percentage of total pension liability decreased slightly from 65.34% in fiscal year 2022 to 63.46% in fiscal year 2023.
- The Illinois Municipal Retirement Fund (IMRF) decreased its plan fiduciary net position as a percentage of the total pension liability from 108.84% in fiscal year 2022 to 88.92% in fiscal year 2023.

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 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, and general government. The business-type activity of the Village includes waterworks and sewerage services.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

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 2023. 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.

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.

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.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

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 \$231,321,696 from \$225,726,134, an increase of \$5,595,562.

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 standards 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. In fiscal year 2021, the Village implemented Statement No. 83 (GASB No. 83), which recorded the asset retirement obligation for the Village's Waterworks and Sewerage Fund. Under previous financial reporting standards, the Village was only required to report its long-term obligations for pensions in footnote disclosure and as required supplementary information. In fiscal year 2023, the Village implemented Statement No. 87 (GASB No. 87), which recorded the leases in which the Village is the lessor on the Village's General Fund.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 51,124,950	42,352,715	32,296,456	32,308,324	83,421,406	74,661,039
Capital Assets	98,478,625	102,258,656	122,378,665	123,358,661	220,857,290	225,617,317
Total Assets	149,603,575	144,611,371	154,675,121	155,666,985	304,278,696	300,278,356
Deferred Outflows	5,379,831	2,858,591	1,437,886	514,813	6,817,717	3,373,404
Total Assets/Deferred Outflows	154,983,406	147,469,962	156,113,007	156,181,798	311,096,413	303,651,760
Long-Term Debt	16,947,804	13,531,069	45,544,445	46,938,972	62,492,249	60,470,041
Other Liabilities	2,399,965	2,311,313	3,650,722	5,410,052	6,050,687	7,721,365
Total Liabilities	19,347,769	15,842,382	49,195,167	52,349,024	68,542,936	68,191,406
Deferred Inflows	11,147,516	8,423,917	84,265	1,310,303	11,231,781	9,734,220
Total Liabilities/Deferred Inflows	30,495,285	24,266,299	49,279,432	53,659,327	79,774,717	77,925,626
Net Position						
Net Investment in Capital Assets	98,478,625	102,258,656	75,676,600	74,085,516	174,155,225	176,344,172
Restricted	4,646,606	3,574,678	—	—	4,646,606	3,574,678
Unrestricted	21,362,890	17,370,329	31,156,975	28,436,955	52,519,865	45,807,284
Total Net Position	124,488,121	123,203,663	106,833,575	102,522,471	231,321,696	225,726,134

The chart on the next page shows the changes in net position. Overall net position increased for the year ended April 30, 2023 by \$5,595,562 and increased \$10,076,697 for the year ended April 30, 2022. Overall revenues were relatively flat compared to the prior year other than interest income. Interest income increased by \$2,401,606. Various other revenue sources remained strong and include sales tax, income tax, property tax and charges for services including water sales and sewer fees. The Village continued its commitment to funding the Village's street resurfacing program which contributed to the \$3,598,344 increase in Public Works expenses.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 3,700,165	3,919,555	13,671,320	13,762,440	17,371,485	17,681,995
Operating Grants/Contribution	2,786	2,261	—	—	2,786	2,261
Capital Grants/Contribution	989,714	1,153,724	122,900	908,050	1,112,614	2,061,774
General Revenues						
Property Taxes	4,172,073	4,022,031	—	—	4,172,073	4,022,031
Utility Taxes	1,848,877	1,799,739	—	—	1,848,877	1,799,739
Sales Taxes	10,897,282	10,994,405	—	—	10,897,282	10,994,405
Income Taxes	3,123,381	3,058,907	—	—	3,123,381	3,058,907
Use Taxes	832,250	750,664	—	—	832,250	750,664
Replacement Taxes	182,446	154,555	—	—	182,446	154,555
ARPA Grant	1,318,184	1,318,184	—	—	1,318,184	1,318,184
Interest Income	1,210,310	(133,738)	811,311	(246,247)	2,021,621	(379,985)
Miscellaneous	259,159	291,184	79,040	19,416	338,199	310,600
Total Revenues	28,536,627	27,331,471	14,684,571	14,443,659	43,221,198	41,775,130
Expenses						
General Government	1,299,535	503,718	—	—	1,299,535	503,718
Public Safety	8,273,997	7,745,050	—	—	8,273,997	7,745,050
Public Works	14,452,652	10,854,308	—	—	14,452,652	10,854,308
Solid Waste	1,674,427	1,590,642	—	—	1,674,427	1,590,642
Building & Community	1,551,558	1,454,271	—	—	1,551,558	1,454,271
Waterworks and Sewerage	—	—	10,373,467	9,550,444	10,373,467	9,550,444
Total Expenses	27,252,169	22,147,989	10,373,467	9,550,444	37,625,636	31,698,433
Change in Net Position	1,284,458	5,183,482	4,311,104	4,893,215	5,595,562	10,076,697
Net Position - Beginning	123,203,663	118,020,181	102,522,471	97,629,256	225,726,134	215,649,437
Net Position - Ending	124,488,121	123,203,663	106,833,575	102,522,471	231,321,696	225,726,134

- During fiscal year 2023, interest income generated the largest increase of all revenues in the amount of \$2,021,621 due to increased cash and investment balances, rising interest rates and the impact of the implementation of GASB 87-Leases.
- The fiscal year 2023 sales tax revenue in the amount of \$10,897,282 is \$97,123 or 0.9% lower than the fiscal year 2022 revenue. This decrease is most likely due to supply chain issues as well as price inflation.
- The fiscal year 2023 income tax revenue in the amount of \$3,123,381 is \$64,474 or 2.1% higher than the fiscal year 2022 revenue.
- Property tax revenue increased \$150,042 due to the increase in the equalized assessed value of real property within the Village.
- The fiscal year 2023 general revenues include \$1,318,184 for the second tranche of the American Rescue Plan Act funding. The Village was allocated \$2,636,368 in total and has received the full amount.

VILLAGE OF FRANKFORT, ILLINOIS

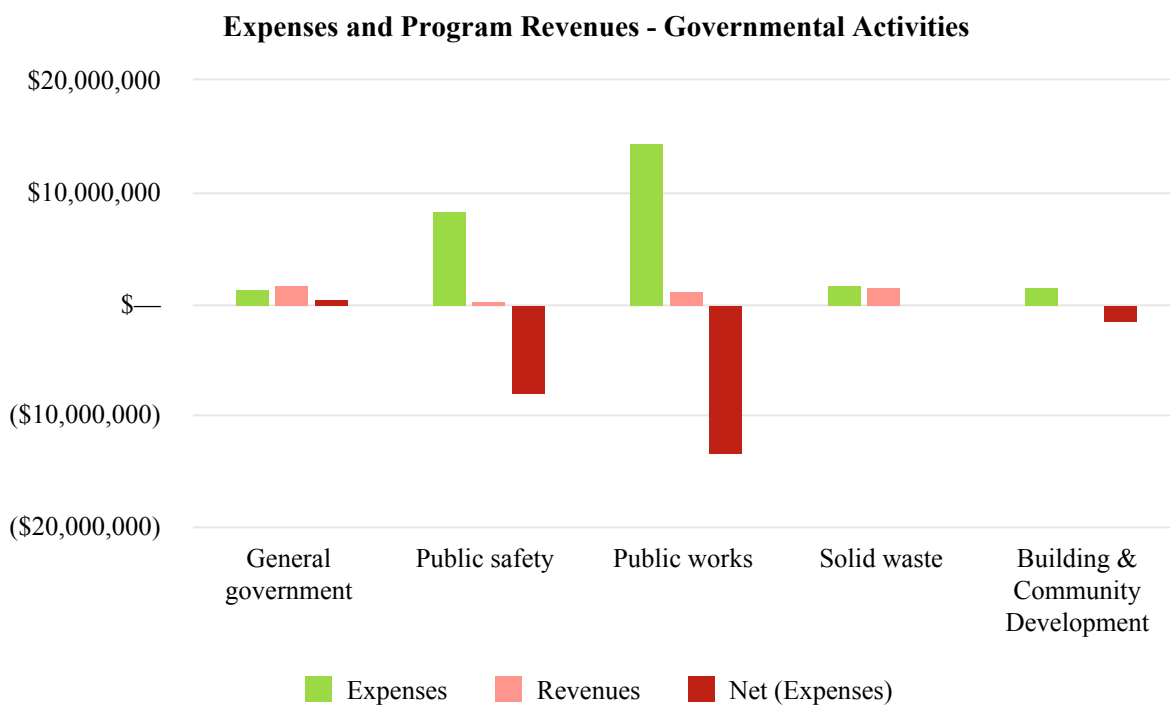
Management's Discussion and Analysis

April 30, 2023

The Village's investment in capital assets, which includes items such as infrastructure, buildings and equipment, less any related outstanding debt used to acquire those assets represents 75.3% 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 2.0% of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$52,519,865 or 22.7% 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	\$ 1,299,535	1,698,316	398,781
Public Safety	8,273,997	292,814	(7,981,183)
Public Works	14,452,652	1,093,680	(13,358,972)
Solid Waste	1,674,427	1,607,855	(66,572)
Building & Community Development	1,551,558	—	(1,551,558)



VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

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 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	
	2023	2022	2023	2022	2023	2022
General Government	\$ 1,299,535	503,718	1,698,316	1,899,820	398,781	1,396,102
Public Safety	8,273,997	7,745,050	292,814	283,107	(7,981,183)	(7,461,943)
Public Works	14,452,652	10,854,308	1,093,680	1,349,523	(13,358,972)	(9,504,785)
Building & Community Development	1,551,558	1,454,271	—	—	(1,551,558)	(1,454,271)
Solid Waste	1,674,427	1,590,642	1,607,855	1,543,090	(66,572)	(47,552)
	27,252,169	22,147,989	4,692,665	5,075,540	(22,559,504)	(17,072,449)

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:

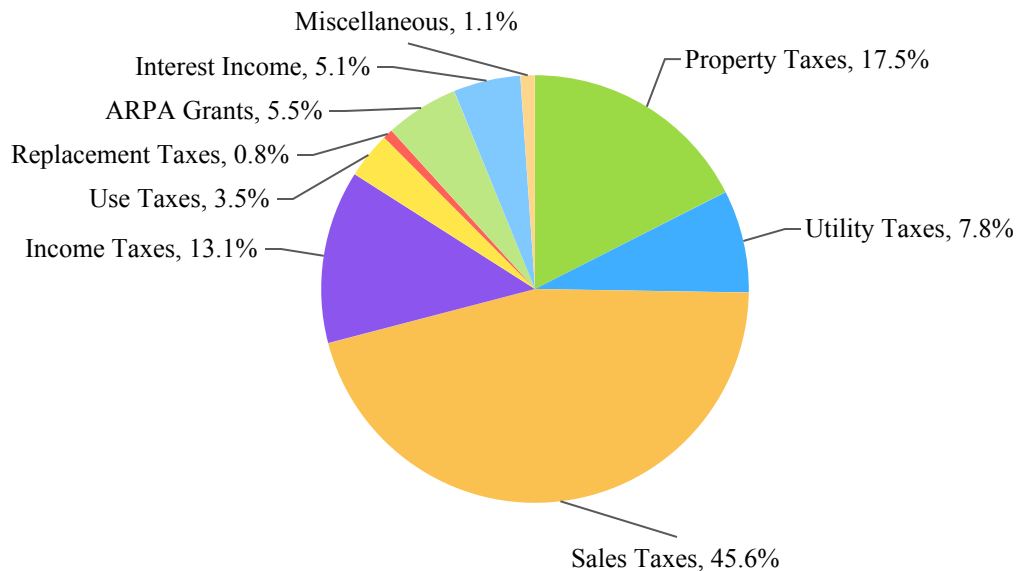
	2023	
	Amount	Percentage
Property Taxes	\$ 4,172,073	17.5%
Utility Taxes	1,848,877	7.8%
Sales Taxes	10,897,282	45.6%
Income Taxes	3,123,381	13.1%
Use Taxes	832,250	3.5%
Replacement Taxes	182,446	0.8%
ARPA Grants	1,318,184	5.5%
Interest Income	1,210,310	5.1%
Miscellaneous	259,159	1.1%
Total	23,843,962	100.0%

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

Revenues by Source - Governmental Activities



Sales tax is one of the largest revenue sources for the Village comprising 45.6% of general governmental revenues. The second largest revenue source is property taxes collected during the year which represents 17.5% of the Village's general governmental revenues. The combined tax rate for the Village of Frankfort and the Village of Frankfort Road and Bridge Fund, the latter of which is levied by Frankfort Township, decreased from 0.417 to 0.406 per \$100 of equalized assessed valuation. This rate decrease has been offset by the 8.5% increase in the total equalized assessed value (EAV) of properties located in Frankfort.

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 \$4,311,104.

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, 2023, the Village of Frankfort's governmental funds reported combined ending fund balances of \$39,608,501. Approximately 18.3% of this total amount or \$7,246,294 constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remaining \$32,362,207 of the fund balance is restricted (\$4,646,606) and assigned (\$27,715,601). The restricted balance represents the Village's motor fuel tax fund balance and the assigned balance represents the capital development fund balance.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

Revenues of the General Fund exceeded expenditures by \$10,849,730. \$10,773,794 was transferred into the Capital Development Fund to be used for future capital outlay. Strong sales tax revenue as well as other revenue sources such as property taxes and income taxes, offset by conservative spending made this transfer possible. At the end of the current fiscal year, the fund balance of the General Fund was \$7,246,294, of which the entire balance is unassigned. It also should be noted that 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 45.5% of the total General Fund expenditures.

The Motor Fuel Tax Fund ended the year with a fund balance of \$4,646,606 which is restricted for road maintenance and construction. During the year, the fund balance of the Village of Frankfort's Motor Fuel Tax Fund increased by \$1,071,928.

The Capital Development Fund ended the year with a fund balance of \$27,715,601, 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 \$3,813,058. This fund received \$10,773,794 of transferred funds based on fiscal year 2023 operating results within the General Fund. These transfers were offset by expenditures such as costs related to the street resurfacing program and vehicles and equipment 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 \$31,156,975. The only major proprietary fund is the Waterworks and Sewerage Fund. Its net position increased by \$4,311,104. This overall increase was mainly a result of operating revenues exceeding operating expenses and will be used to fund future capital improvements and for the repayment of the Village's IEPA loans.

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 \$3,729,174 as all revenue categories met or exceeded budgeted amounts. Expenditures were less than budgeted by \$2,447,856, as all expenditure functions were less than expected. These favorable results along with the budgeted operating surplus of \$4,672,700 enabled the Village to continue its policy of transferring funds to support the activity in the Capital Development Fund. \$10,773,794 was transferred from the General Fund to the Capital Development Fund for fiscal year 2023.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

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, 2023, amounts to \$220,857,290 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, equipment, infrastructure and water distribution, storm, and sanitary system.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 30,938,656	30,938,656	2,580,859	2,580,859	33,519,515	33,519,515
Construction in Progress	182,038	153,636	598,878	2,990,658	780,916	3,144,294
Buildings and Improvements	5,500,466	5,713,403	—	—	5,500,466	5,713,403
Vehicles	1,492,289	1,748,995	254,067	218,925	1,746,356	1,967,920
Equipment	467,696	410,628	—	—	467,696	410,628
Infrastructure	59,897,480	63,293,338	—	—	59,897,480	63,293,338
Water Distribution, Storm, and Sanitary System	—	—	118,944,861	117,568,219	118,944,861	117,568,219
Total	98,478,625	102,258,656	122,378,665	123,358,661	220,857,290	225,617,317

Major capital asset events during fiscal year 2023 included the following:

- On the governmental activities side, \$260,356 of assets were placed in service. These new additions included two vehicles, a truck hoist and new carpet upstairs at the Village Hall. The Village also continued preliminary engineering for the Pfeiffer Road Extension project.
- On the business-type activities side, \$5,033,578 of assets were placed in service. These new additions included water main and lead service line replacements, sanitary sewer rehabilitation, lift station upgrades, water tower painting and two vehicles.
- New software was also purchased and was included in both the governmental and business-type fixed asset additions. This municipal software includes financial management, human resources, utility billing, building and community development modules.
- Depreciation in the amount of \$4,063,610 was recorded for governmental activities' capital assets and \$3,621,794 was recorded for business-type activities' capital assets.

Additional information on the Village of Frankfort's capital assets can be found in the Note 3 to the financial statements.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

Long-term debt

The Village of Frankfort has total outstanding IEPA loans of \$46,702,065 and no outstanding general obligation bonded debt as of April 30, 2023. Under current Illinois Compiled Statutes, 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, 2023, the Village's legal debt limit of \$93,600,446 was equal to the legal debt margin.

Below is a comparative statement of outstanding debt:

Long-Term Debt Outstanding						
Governmental			Business-Type			
Activities			Activities		Totals	
2023			2022		2023	
2022			2023		2022	
IEPA Loans	\$	—	—	46,702,065	49,273,145	46,702,065
						49,273,145

Additional information on the Village's long-term debt can be found in the Note 3 to the financial statements.

Economic Factors and Next Year's Budget

Sales tax and income tax remained relatively flat since last year. Sales tax decreased by 0.9% or \$97,123 and income tax increased by 2.1% or \$64,474. Over the past five years, both taxes have increased significantly. The sales tax increase is mainly due to Village residents approving the 1% non-home rule sales tax during fiscal year 2020 as well as sales tax now being charged on online sales due to the "Leveling the Playing Field for Illinois Retail Act". Sales tax revenue is expected to continue to level off in the upcoming year. An increase was also seen over the past five years in the Village's income tax revenue mainly due to an improving labor market, increased corporate income tax receipts and the elimination of some of the rate reductions applied to the Local Government Distributive Fund. Legislative changes, including tax law changes, are continually being monitored.

General Sales and Income Taxes for the Past 5 Fiscal Years					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Sales taxes	\$10,897,282	\$10,994,405	\$9,160,968	\$7,883,132	\$5,942,547
Income taxes	\$3,123,381	\$3,058,907	\$2,158,420	\$1,749,481	\$1,839,642

Interest income generated the largest increase of all revenues in the amount of \$2,021,621 due to rising interest rates and the implementation of GASB 87-Leases. Interest income is expected to remain strong in the upcoming year.

The Village received the second and final tranche of the ARPA funding in the amount of \$1,318,184 during fiscal year 2023. Grant funding related to Covid-19 economic relief programs will no longer continue.

The Village invested approximately \$7 million in fiscal year 2023 to address the Village's aging streets. Various Village streets were resurfaced throughout Frankfort. Another \$7 million is projected to be spent in fiscal year 2024. Next year's budget also includes funding for the Pfeiffer Road Extension project's engineering and construction costs. The Village is anticipating grant funding to cover a large portion of this project.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

Repayment of the Wastewater Treatment Plant IEPA loans will continue to be paid for by current and future users of the utility system and are funded by sewer charges. During fiscal year 2023, \$3.4 million of principal and interest was paid on these loans. This annual debt service repayment will continue as each loan has a 20 year term. This project was necessary to meet environmental standards and to replace obsolete equipment.

Infrastructure improvements continued within the Utility (Water/Sewer) department. The majority of these projects were watermain replacement projects. Water and sewer projects are expected to continue in future years to address the Village's aging infrastructure.

The Village remains in a strong financial position, as evidenced by the excellent performance of some of the Village's largest revenue sources and responsible management of fund reserves. The Village proactively plans for changing trends in all levels of the economy, income revenues and required expenditures. The Village continues to analyze its long-term financial plan and strives to maintain healthy fund balances, especially during these uncertain times.

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, 2023

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position

April 30, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 38,431,453	30,700,564	69,132,017
Receivables - Net of Allowances	12,536,276	1,595,892	14,132,168
Due from Other Governments	72,108	—	72,108
Land Held for Resale	85,113	—	85,113
Total Current Assets	51,124,950	32,296,456	83,421,406
Noncurrent Assets			
Capital Assets			
Nondepreciable	31,120,694	3,179,737	34,300,431
Depreciable	151,406,398	173,938,040	325,344,438
Accumulated Depreciation	(84,048,467)	(54,739,112)	(138,787,579)
Total Capital Assets	98,478,625	122,378,665	220,857,290
Total Assets	149,603,575	154,675,121	304,278,696
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,954,501	1,313,073	3,267,574
Deferred Items - Police Pension	3,425,330	—	3,425,330
Deferred Items - ARO	—	124,813	124,813
Total Deferred Outflows of Resources	5,379,831	1,437,886	6,817,717
Total Assets and Deferred Outflows of Resources	154,983,406	156,113,007	311,096,413

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,460,700	703,538	2,164,238
Retainage Payable	—	100,747	100,747
Accrued Payroll	295,364	48,907	344,271
Accrued Interest	—	153,295	153,295
Deposits Payable	528,065	—	528,065
Current Portion of Long-Term Debt	115,836	2,644,235	2,760,071
Total Current Liabilities	2,399,965	3,650,722	6,050,687
Noncurrent Liabilities			
Compensated Absences Payable	463,345	100,730	564,075
Net Pension Liability - IMRF	1,829,744	1,229,258	3,059,002
Net Pension Liability - Police	13,010,472	—	13,010,472
Total OPEB Liability - RBP	1,644,243	—	1,644,243
Asset Retirement Obligation	—	131,445	131,445
IEPA Loans Payable	—	44,083,012	44,083,012
Total Noncurrent Liabilities	16,947,804	45,544,445	62,492,249
Total Liabilities	19,347,769	49,195,167	68,542,936
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,382,040	—	4,382,040
Leases	4,850,280	—	4,850,280
Deferred Items - IMRF	125,427	84,265	209,692
Deferred Items - Police	1,789,769	—	1,789,769
Total Deferred Inflows of Resources	11,147,516	84,265	11,231,781
Total Liabilities and Deferred Inflows of Resources	30,495,285	49,279,432	79,774,717
NET POSITION			
Net Investment in Capital Assets	98,478,625	75,676,600	174,155,225
Restricted			
Road Construction and Maintenance	4,646,606	—	4,646,606
Unrestricted	21,362,890	31,156,975	52,519,865
Total Net Position	124,488,121	106,833,575	231,321,696

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, 2023

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 1,299,535	1,698,316	—	—
Public Safety	8,273,997	290,028	2,786	—
Public Works	14,452,652	103,966	—	989,714
Solid Waste	1,674,427	1,607,855	—	—
Building and Community Development	1,551,558	—	—	—
Total Governmental Activities	27,252,169	3,700,165	2,786	989,714
Business-Type Activities				
Waterworks and Sewerage	10,373,467	13,671,320	—	122,900
Total Primary Government	37,625,636	17,371,485	2,786	1,112,614

General Revenues

Taxes

Property Taxes

Utility Taxes

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Uses Taxes

Replacement Taxes

Other Taxes

ARPA Grants

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
398,781	—	398,781
(7,981,183)	—	(7,981,183)
(13,358,972)	—	(13,358,972)
(66,572)	—	(66,572)
(1,551,558)	—	(1,551,558)
(22,559,504)	—	(22,559,504)
—	3,420,753	3,420,753
(22,559,504)	3,420,753	(19,138,751)
4,172,073	—	4,172,073
1,848,877	—	1,848,877
10,897,282	—	10,897,282
3,123,381	—	3,123,381
832,250	—	832,250
182,446	—	182,446
33,503	—	33,503
1,318,184	—	1,318,184
1,210,310	811,311	2,021,621
225,656	79,040	304,696
23,843,962	890,351	24,734,313
1,284,458	4,311,104	5,595,562
123,203,663	102,522,471	225,726,134
124,488,121	106,833,575	231,321,696

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

VILLAGE OF FRANKFORT, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2023

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Development	Totals
ASSETS				
Cash and Investments	\$ 5,206,455	4,764,501	28,460,497	38,431,453
Receivables - Net of Allowances				
Property Taxes	4,382,040	—	—	4,382,040
Other Taxes	2,397,617	—	—	2,397,617
Accounts	828,515	—	—	828,515
Leases	4,926,216	—	—	4,926,216
Accrued Interest	—	—	1,888	1,888
Due from Other Governments	—	72,108	—	72,108
Land Held for Resale	—	—	85,113	85,113
Total Assets	17,740,843	4,836,609	28,547,498	51,124,950
LIABILITIES				
Accounts Payable	586,115	190,003	684,582	1,460,700
Accrued Payroll	295,364	—	—	295,364
Deposits Payable	380,750	—	147,315	528,065
Total Liabilities	1,262,229	190,003	831,897	2,284,129
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,382,040	—	—	4,382,040
Leases	4,850,280	—	—	4,850,280
Total Deferred Inflows of Resources	9,232,320	—	—	9,232,320
Total Liabilities and Deferred Inflows of Resources	10,494,549	190,003	831,897	11,516,449
FUND BALANCES				
Restricted	—	4,646,606	—	4,646,606
Assigned	—	—	27,715,601	27,715,601
Unassigned	7,246,294	—	—	7,246,294
Total Fund Balances	7,246,294	4,646,606	27,715,601	39,608,501
Total Liabilities, Deferred Inflows of Resources and Fund Balances	17,740,843	4,836,609	28,547,498	51,124,950

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

VILLAGE OF FRANKFORT, ILLINOIS

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

April 30, 2023

Total Governmental Fund Balances	\$ 39,608,501
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.	98,478,625
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	1,829,074
Deferred Items - Police	1,635,561
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(579,181)
Net Pension Liability - IMRF	(1,829,744)
Net Pension Liability - Police	(13,010,472)
Total OPEB Liability - RBP	<u>(1,644,243)</u>
Net Position of Governmental Activities	<u>124,488,121</u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2023

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Development	Totals
Revenues				
Taxes	\$ 6,020,950	—	—	6,020,950
Intergovernmental	16,389,832	989,714	—	17,379,546
Charges for Services	2,375,864	—	103,966	2,479,830
Licenses and Permits	1,010,835	—	—	1,010,835
Fines and Forfeits	209,500	—	—	209,500
Interest Income	583,721	135,803	490,786	1,210,310
Miscellaneous	198,272	—	27,384	225,656
Total Revenues	26,788,974	1,125,517	622,136	28,536,627
Expenditures				
General Government	1,190,569	—	—	1,190,569
Public Safety	7,993,777	—	—	7,993,777
Public Works	3,574,713	—	366	3,575,079
Solid Waste	1,674,427	—	—	1,674,427
Building and Community Development	1,505,758	—	—	1,505,758
Capital Outlay	—	53,589	7,592,033	7,645,622
Total Expenditures	15,939,244	53,589	7,592,399	23,585,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,849,730	1,071,928	(6,970,263)	4,951,395
Other Financing Sources (Uses)				
Disposal of Capital Asset	—	—	9,527	9,527
Transfers In	—	—	10,773,794	10,773,794
Transfers Out	(10,773,794)	—	—	(10,773,794)
	(10,773,794)	—	10,783,321	9,527
Net Change in Fund Balances	75,936	1,071,928	3,813,058	4,960,922
Fund Balances - Beginning	7,170,358	3,574,678	23,902,543	34,647,579
Fund Balances - Ending	7,246,294	4,646,606	27,715,601	39,608,501

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 of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended April 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 4,960,922
---	---------------------

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	288,758
Depreciation Expense	(4,063,610)
Disposals - Cost	(184,702)
Disposals - Accumulated Depreciation	179,523

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

Change in Deferred Items - IMRF	3,315,091
Change in Deferred Items - Police	1,583,545

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.

Change in Compensated Absences Payable	63,124
Change in Net Pension Liability - IMRF	(3,220,703)
Change in Net Pension Liability - Police	(1,635,488)
Change in Total OPEB Liability - RBP	(2,002)

Changes in Net Position of Governmental Activities	<u>1,284,458</u>
---	-------------------------

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position - Proprietary Fund

April 30, 2023

	<u>Waterworks and Sewerage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 30,700,564
Receivables - Net of Allowances	
Accounts	<u>1,595,892</u>
Total Current Assets	<u>32,296,456</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	3,179,737
Depreciable	173,938,040
Accumulated Depreciation	<u>(54,739,112)</u>
Total Capital Assets	<u>122,378,665</u>
Total Assets	<u>154,675,121</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	1,313,073
Deferred Items - ARO	<u>124,813</u>
Total Deferred Outflows of Resources	<u>1,437,886</u>
Total Assets and Deferred Outflows of Resources	<u>156,113,007</u>

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

Waterworks
and Sewerage

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 703,538
Retainage Payable	100,747
Accrued Payroll	48,907
Accrued Interest	153,295
Current Portion of Long-Term Debt	2,644,235
Total Current Liabilities	<u>3,650,722</u>
Noncurrent Liabilities	
Compensated Absences Payable	100,730
Net Pension Liability - IMRF	1,229,258
IEPA Loans Payable	44,083,012
Asset Retirement Obligation	131,445
Total Noncurrent Liabilities	<u>45,544,445</u>
Total Liabilities	<u>49,195,167</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	<u>84,265</u>
Total Liabilities and Deferred Inflows of Resources	<u>49,279,432</u>

NET POSITION

Net Investment in Capital Assets	75,676,600
Unrestricted	<u>31,156,975</u>
Total Net Position	<u><u>106,833,575</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund For the Fiscal Year Ended April 30, 2023

	<u>Waterworks and Sewerage</u>
Operating Revenues	
Charges for Services	<u>\$ 13,671,320</u>
Operating Expenses	
Personnel	2,703,945
Contractual Services	2,240,582
Commodities	745,405
Capital Improvements	211,165
Depreciation and Amortization	<u>3,625,109</u>
Total Operating Expenses	<u>9,526,206</u>
Operating Income	<u>4,145,114</u>
Nonoperating Revenues (Expenses)	
Other Income	79,040
Interest Income	811,311
Interest Expense	<u>(847,261)</u>
	<u>43,090</u>
Income Before Capital Grants	4,188,204
Capital Grants	<u>122,900</u>
Change in Net Position	4,311,104
Net Position - Beginning	<u>102,522,471</u>
Net Position - Ending	<u><u>106,833,575</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Cash Flows - Proprietary Fund For the Fiscal Year Ended April 30, 2023

	Waterworks and Sewerage
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 14,337,679
Payments to Employees	(2,006,353)
Payments to Suppliers	(5,703,558)
	<u>6,627,768</u>
Cash Flows from Capital and Related Financing Activities	
Capital Grants	122,900
Purchase of Capital Assets	(2,641,798)
Debt Issuance	226,705
Payment on Loan Principal	(2,797,785)
Interest Payments	(847,261)
	<u>(5,937,239)</u>
Cash Flows from Investing Activities	
Interest Received	<u>811,311</u>
Net Change in Cash and Cash Equivalents	1,501,840
Cash and Cash Equivalents	
Beginning	<u>29,198,724</u>
Ending	<u><u>30,700,564</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income	4,145,114
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	3,625,109
Other Income	79,040
(Increase) Decrease in Current Assets	587,319
Increase (Decrease) in Current Liabilities	(1,808,814)
	<u>(1,808,814)</u>
Net Cash Provided by Operating Activities	<u><u>6,627,768</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Fiduciary Net Position - Custodial Fund

April 30, 2023

	Pension Trust Police Pension
ASSETS	
Cash and Cash Equivalents	\$ 1,053,425
Investments	
Illinois Police Officers' Pension Investment Fund	21,538,303
Mutual Funds	334
Prepays	6,679
Total Assets	22,598,741
LIABILITIES	
Accounts Payable	760
NET POSITION	
Restricted for Pensions	22,597,981

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Changes in Fiduciary Net Position - Custodial Fund For the Fiscal Year Ended April 30, 2023

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 1,469,028
Contributions - Plan Members	339,445
Total Contributions	1,808,473
Investment Income	
Interest Earned	206,975
Net Change in Fair Value	252,943
	459,918
Less Investment Expenses	(32,103)
Net Investment Income (Loss)	427,815
Total Additions	2,236,288
Deductions	
Administration	34,429
Benefits and Refunds	1,048,393
Total Deductions	1,082,822
Change in Fiduciary Net Position	1,153,466
Net Position Restricted for Pensions	
Beginning	21,444,515
Ending	22,597,981

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

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 public safety, street and highways, building, planning and zoning, economic development, parks and recreation, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage services is 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) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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.

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:

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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 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 accounts for all revenues and expenditures of the Village which are not accounted for in other funds. The General Fund is a major fund.

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - 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 custodial funds utilize an "economic resources" measurement focus. The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 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, utility taxes, hotel/motel taxes, fines, 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 funds and custodial 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 sale of meters needed by customers for service and the charge for connecting to the Village’s water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, non-capitalized capital expenditures, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Cash and Investments - Continued

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.

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Assets - Continued

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	20 - 50 Years
Water Distribution, Storm and Sanitary System	50 - 100 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets 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.

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.

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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 legislation.

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, 2022 to April 30, 2023 was adopted through the passage of ordinance number 3359 on July 5, 2022.
- 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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 custodial fund. 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 several of the Village's funds. The deposits and investments of the custodial fund is held separately from those of other funds.

Permitted Deposits and Investments - Illinois Statutes authorizes 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 and Illinois Funds, and the Illinois Metropolitan Investment Fund.

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. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$5,308,993 and the bank balances totaled \$5,355,877. The Village also has \$55,465,308 invested in the Illinois Funds and \$8,357,716 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 AAAs by Standard & Poor's.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Continued

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.

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

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on December 16, 2022.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Continued

Deposits. The Fund retains all its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$1,053,425 and the bank balances totaled \$1,053,441.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$21,538,303 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. In addition, the Fund has \$334 invested in mutual funds.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return. For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Will/Cook County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LEASES RECEIVABLE

The Village is a lessor on the following leases at year end:

Lease	Term Length	Start Date	Payments	Interest Rate
Verizon - Elsner Road	20 Years	9/1/2015	\$49,635 Yearly	3.00%
Verizon - Lambrecht	25 Years	4/1/2010	\$67,263 Yearly	3.00%
Verizon - Lincoln Highway	20 Years	8/1/2015	\$46,489 Yearly	3.00%
SBA - PW Garage	456 Months	10/17/2000	\$5,364 Monthly	5.00%
Tmobile - Graceland	25 Years	5/1/2023	\$68,329 Yearly	3.00%
Cingular - Prestwick Water	491 Months	5/1/2000	\$3,950 Monthly	3.00%
Verizon - Elwood	20 Years	9/1/2020	\$38,934 Yearly	3.00%
T-Mobile - Elwood (A)	35 Years	4/1/2000	\$61,885 Yearly	5.00%
T-Mobile - Elwood (B)	214 Months	6/1/2012	\$1,466 Monthly	5.00%

During the fiscal year, the Village has recognized \$461,895 of lease revenue.

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Principal	Interest
2024	\$ 293,269	168,626
2025	303,918	157,977
2026	314,973	146,922
2027	326,462	135,433
2028	338,397	123,498
2029 - 2033	1,562,807	444,888
2034 - 2038	1,049,862	208,682
2039 - 2043	482,529	71,491
2044 - 2047	253,999	19,333
	<u>4,926,216</u>	<u>1,476,850</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 30,938,656	—	—	30,938,656
Construction in Progress	153,636	28,402	—	182,038
	<u>31,092,292</u>	<u>28,402</u>	<u>—</u>	<u>31,120,694</u>
Depreciable Capital Assets				
Buildings and Improvements	9,135,350	27,563	—	9,162,913
Vehicles	4,456,149	70,470	154,550	4,372,069
Equipment	2,179,668	162,323	30,152	2,311,839
Infrastructure	135,559,577	—	—	135,559,577
	<u>151,330,744</u>	<u>260,356</u>	<u>184,702</u>	<u>151,406,398</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,421,947	240,500	—	3,662,447
Vehicles	2,707,154	321,997	149,371	2,879,780
Equipment	1,769,040	105,255	30,152	1,844,143
Infrastructure	72,266,239	3,395,858	—	75,662,097
	<u>80,164,380</u>	<u>4,063,610</u>	<u>179,523</u>	<u>84,048,467</u>
Total Net Depreciable Capital Assets	<u>71,166,364</u>	<u>(3,803,254)</u>	<u>5,179</u>	<u>67,357,931</u>
Total Net Capital Assets	<u>102,258,656</u>	<u>(3,774,852)</u>	<u>5,179</u>	<u>98,478,625</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 107,825
Public Safety	220,487
Public Works	3,689,268
Building and Community Development	<u>46,030</u>
	<u>4,063,610</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,580,859	—	—	2,580,859
Construction in Progress	2,990,658	78,201	2,469,981	598,878
	<u>5,571,517</u>	<u>78,201</u>	<u>2,469,981</u>	<u>3,179,737</u>
Depreciable Capital Assets				
Vehicles	1,805,071	121,076	—	1,926,147
Water Distribution, Storm, and Sanitary System	167,112,746	4,912,502	13,355	172,011,893
	<u>168,917,817</u>	<u>5,033,578</u>	<u>13,355</u>	<u>173,938,040</u>
Less Accumulated Depreciation				
Vehicles	1,586,146	85,934	—	1,672,080
Water Distribution, Storm, and Sanitary System	49,544,527	3,535,860	13,355	53,067,032
	<u>51,130,673</u>	<u>3,621,794</u>	<u>13,355</u>	<u>54,739,112</u>
Total Net Depreciable Capital Assets	<u>117,787,144</u>	<u>1,411,784</u>	<u>—</u>	<u>119,198,928</u>
Total Net Capital Assets	<u>123,358,661</u>	<u>1,489,985</u>	<u>2,469,981</u>	<u>122,378,665</u>

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

Waterworks and Sewerage	<u>\$ 3,621,794</u>
-------------------------	---------------------

INTERFUND TRANSFERS

Transfers are used to move (1) revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Development	General	<u>\$ 10,773,794</u> (1)

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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. IEPA loans currently outstanding are as follows:

Issue	Fund 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	\$ 868,559	—	96,506	772,053
Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016 - Due in semi-annual installments of \$352,884 including interest at 1.86% through November 25, 2036.	Waterworks and Sewerage	9,200,934	—	537,116	8,663,818
Illinois Environmental Protection Agency (IEPA) (L17-5388) Loan of 2017 - Due in semi-annual installments including interest at 1.76% through April 8, 2039.	Waterworks and Sewerage	32,046,743	—	1,632,506	30,414,237
Illinois Environmental Protection Agency (IEPA) (L17-5408) Loan of 2019 - Due in semi-annual installments including interest at 1.84% through May 30, 2041.	Waterworks and Sewerage	7,156,909	—	304,952	6,851,957
Illinois Environmental Protection Agency (IEPA) (L17-3465) Loan of 2021 - Due in semi-annual installments including interest at 1.15% through June 14, 2043.	Waterworks and Sewerage	—	226,705	226,705	—
		49,273,145	226,705	2,797,785	46,702,065

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities/(asset), and the total OPEB liability. For business-type activities, the Waterworks and Sewerage Fund makes payments on the compensated absences, the net pension liability/(asset), the IEPA loans payable, and the Asset Retirement Obligation. Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts within One Year
Governmental Activities					
Compensated Absences	\$ 642,305	63,124	126,248	579,181	115,836
Net Pension Liability/(Asset) - IMRF	(1,390,959)	3,220,703	—	1,829,744	—
Net Pension Liability - Police Pension	11,374,984	1,635,488	—	13,010,472	—
Total OPEB Liability - RBP	1,642,241	2,002	—	1,644,243	—
	12,268,571	4,921,317	126,248	17,063,640	115,836
Business-Type Activities					
Compensated Absences	131,828	5,916	11,832	125,912	25,182
Net Pension Liability/(Asset) - IMRF	(864,537)	2,093,795	—	1,229,258	—
Asset Retirement Obligation	131,445	—	—	131,445	—
IEPA Loans Payable	49,273,145	226,705	2,797,785	46,702,065	2,619,053
	48,671,881	2,326,416	2,809,617	48,188,680	2,644,235

Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are between 32 and 48 years.

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."

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin - Continued

Assessed Valuation - 2022	<u>\$ 1,085,222,558</u>
Legal Debt Limit - 8.625% of Assessed Value	93,600,446
Amount of Debt Applicable to Limit	
Debt Certificates	<u>—</u>
Legal Debt Margin	<u>93,600,446</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Business-Type Activities	
	IEPA	
	Loans Payable	
	Principal	Interest
2024	\$ 2,619,053	811,266
2025	2,664,451	765,868
2026	2,710,667	719,652
2027	2,757,715	672,604
2028	2,805,609	624,710
2029	2,854,367	575,952
2030	2,904,002	526,317
2031	2,954,535	475,789
2032	2,909,465	424,348
2033	2,961,830	371,983
2034	3,015,138	318,675
2035	3,069,407	264,406
2036	3,124,654	209,159
2037	3,180,895	152,918
2038	2,529,099	98,946
2039	2,574,136	53,909
2040	420,962	17,706
2041	428,743	9,925
2042	217,337	1,999
Totals	<u>46,702,065</u>	<u>7,096,132</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 98,478,625
Less Capital Related Debt	—
Net Investment in Capital Assets	<u>98,478,625</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	122,378,665
Less Capital Related Debt:	
Illinois Environmental Protection Agency (IEPA) (L17-3468) Loan of 2011	(772,053)
Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016	(8,663,818)
Illinois Environmental Protection Agency (IEPA) (L17-5388) Loan of 2017	(30,414,237)
Illinois Environmental Protection Agency (IEPA) (L17-5408) Loan of 2019	<u>(6,851,957)</u>
Net Investment in Capital Assets	<u>75,676,600</u>

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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:

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Development	Totals
Fund Balances				
Restricted				
Motor Fuel Taxes				
Road Construction and Maintenance	\$ —	4,646,606	—	4,646,606
Assigned				
Capital Projects	—	—	27,715,601	27,715,601
Unassigned	7,246,294	—	—	7,246,294
Total Fund Balances	7,246,294	4,646,606	27,715,601	39,608,501

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

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

Grants

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

JOINT VENTURE - 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 sheriff (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, along with the Will County 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, Illinois 60432.

In accordance with the intergovernmental agreement, the Village remitted \$429,024 to the Center for the year ended April 30, 2023, which is recorded in the Village's General Fund.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF does issue 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 amounts recognized for the two pension plans are:

	Pension Expense/ (Revenue)	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows
IMRF	\$ 258,226	3,059,002	3,267,574	(209,692)
Police Pension	1,520,971	13,010,472	3,425,330	(1,789,769)
	1,779,197	16,069,474	6,692,904	(1,999,461)

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	67
Inactive Plan Members Entitled to but not yet Receiving Benefits	75
Active Plan Members	<u>72</u>
Total	<u>214</u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% 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, 2023, the Village's contribution was 8.16% of covered payroll.

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age
	Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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.

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 net 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 6,646,545	3,059,002	256,925

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2021	\$ 25,528,693	27,784,189	(2,255,496)
Changes for the Year:			
Service Cost	467,267	—	467,267
Interest on the Total Pension Liability	1,826,885	—	1,826,885
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	912,322	—	912,322
Changes of Assumptions	—	—	—
Contributions - Employer	—	414,119	(414,119)
Contributions - Employees	—	222,911	(222,911)
Net Investment Income	—	(3,347,655)	3,347,655
Benefit Payments, Including Refunds of Employee Contributions	(1,127,831)	(1,127,831)	—
Other (Net Transfer)	—	602,601	(602,601)
Net Changes	2,078,643	(3,235,855)	5,314,498
Balances at December 31, 2022	27,607,336	24,548,334	3,059,002

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

For the year ended April 30, 2023, the Village recognized pension expense of \$258,226. At April 30, 2023, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,201,993	(110,692)	1,091,301
Change in Assumptions	—	(99,000)	(99,000)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,929,719	—	1,929,719
Total Expenses to be Recognized in Future Periods	3,131,712	(209,692)	2,922,020
Pension Contributions Made Subsequent to the Measurement Date	135,862	—	135,862
Total Deferred Amounts Related to IMRF	3,267,574	(209,692)	3,057,882

\$135,862 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, 2024. 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
2024	\$ 233,888
2025	659,531
2026	939,918
2027	1,088,683
2028	—
Thereafter	—
Total	2,922,020

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	16
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>33</u>
Total	<u><u>53</u></u>

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

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

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 $\frac{1}{2}$ 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., $\frac{1}{2}$ 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 of $\frac{1}{2}$ 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, 2023, the Village's contribution was 42.89% of covered payroll.

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

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	Graded by years of service
Cost of Living Adjustments	3.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010 employee mortality, projected 5 years past the valuation date with Scale MP-2019.

Discount Rate

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

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 \$	18,992,356	13,010,472	8,206,143

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2022	\$ 32,819,499	21,444,515	11,374,984
Changes for the Year:			
Service Cost	825,185	—	825,185
Interest on the Total Pension Liability	2,234,922	—	2,234,922
Changes of Benefit Terms	(19,832)	—	(19,832)
Difference Between Expected and Actual Experience of the Total Pension Liability	797,072	—	797,072
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,469,028	(1,469,028)
Contributions - Employees	—	339,445	(339,445)
Net Investment Income	—	427,815	(427,815)
Benefit Payments, Including Refunds of Employee Contributions	(1,048,393)	(1,048,393)	—
Other (Net Transfer)	—	(34,429)	34,429
Net Changes	2,788,954	1,153,466	1,635,488
Balances at April 30, 2023	35,608,453	22,597,981	13,010,472

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023, the Village recognized pension expense of \$1,520,971. At April 30, 2023, 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	\$ 1,524,864	(1,652,178)	(127,314)
Change in Assumptions	956,537	(137,591)	818,946
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	943,929	—	943,929
Total Deferred Amounts Related to Police Pension	3,425,330	(1,789,769)	1,635,561

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
2024	\$ 334,689
2025	175,506
2026	760,179
2027	289,222
2028	80,389
Thereafter	(4,424)
Total	1,635,561

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

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, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>88</u>
Total	<u><u>88</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2023, and was determined by an actuarial valuation as of April 30, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the April 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.75%
Discount Rate	3.53%
Healthcare Cost Trend Rates	7.3% for 2023, decreasing to an ultimate rate of 5.0% for 2032 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial assumptions and other inputs - Continued. The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the PubG-2010(B) improved generationally using MP-2020 improvement rates weighted per IMRF experience study report dated December 14, 2020.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2022	<u>\$ 1,642,241</u>
Changes for the Year:	
Service Cost	44,147
Interest on the Total OPEB Liability	52,468
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(79,185)
Benefit Payments	<u>(15,428)</u>
Net Changes	<u>2,002</u>
Balance at April 30, 2023	<u><u>1,644,243</u></u>

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 3.53%, and the prior year rate was 3.21%, 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 (2.53%)	Current Discount Rate (3.53%)	1% Increase (4.53%)
Total OPEB Liability	\$ 1,884,540	1,644,243	1,444,226

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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:

		Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
	1% Decrease (Varies)		
Total OPEB Liability	\$ 1,412,193	1,644,243	1,924,527

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

For the year ended April 30, 2023, the Village recognized OPEB expense of \$17,430. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as income, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. There are no employer contributions made subsequent to the measurement date.

SUBSEQUENT EVENT

On July 31, 2023, the Village sold a portion of their water and wastewater system for \$1,424,054.

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 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 Schedule
 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 Schedule of Employer Contributions April 30, 2023

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%
2020	431,399	431,399	—	4,293,011	10.05%
2021	489,609	489,609	—	4,561,056	10.73%
2022	482,313	482,313	—	4,821,680	10.00%
2023	411,246	411,246	—	5,038,354	8.16%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

Schedule of Employer Contributions

April 30, 2023

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	1,044,764	1,043,322	(1,442)	2,696,284	38.69%
2020	1,113,526	1,111,866	(1,660)	3,041,411	36.56%
2021	1,207,698	1,205,010	(2,688)	3,228,811	37.32%
2022	1,487,320	1,486,404	(916)	3,210,350	46.30%
2023	1,471,558	1,469,028	(2,530)	3,425,279	42.89%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	6.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described

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

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2023

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2023

	12/31/2015	12/31/2016
Total Pension Liability		
Service Cost	\$ 406,401	423,576
Interest	1,294,590	1,398,709
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	333,983	(382,241)
Change of Assumptions	25,474	(52,563)
Benefit Payments, Including Refunds of Member Contributions	(629,201)	(678,727)
Net Change in Total Pension Liability	1,431,247	708,754
Total Pension Liability - Beginning	17,395,649	18,826,896
Total Pension Liability - Ending	18,826,896	19,535,650
Plan Fiduciary Net Position		
Contributions - Employer	\$ 491,836	529,899
Contributions - Members	178,345	182,166
Net Investment Income	74,449	1,038,444
Benefit Payments, Including Refunds of Member Contributions	(629,201)	(678,727)
Other (Net Transfer)	(40,531)	96,280
Net Change in Plan Fiduciary Net Position	74,898	1,168,062
Plan Net Position - Beginning	14,869,307	14,944,205
Plan Net Position - Ending	14,944,205	16,112,267
Employer's Net Pension Liability/(Asset)	\$ 3,882,691	3,423,383
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.38%	82.48%
Covered Payroll	\$ 3,963,215	4,048,131
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	97.97%	84.57%

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

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
435,318	378,191	396,535	436,203	412,877	467,267
1,455,720	1,454,995	1,551,501	1,653,860	1,690,142	1,826,885
—	—	—	—	—	—
(490,892)	357,407	326,097	(319,219)	841,129	912,322
(635,480)	632,595	—	(285,495)	—	—
(687,406)	(804,145)	(860,400)	(903,858)	(1,042,632)	(1,127,831)
77,260	2,019,043	1,413,733	581,491	1,901,516	2,078,643
19,535,650	19,612,910	21,631,953	23,045,686	23,627,177	25,528,693
19,612,910	21,631,953	23,045,686	23,627,177	25,528,693	27,607,336
498,325	479,348	414,298	476,761	515,700	414,119
175,467	177,409	190,046	193,714	213,242	222,911
2,806,196	(974,073)	3,400,323	3,010,505	4,000,872	(3,347,655)
(687,406)	(804,145)	(860,400)	(903,858)	(1,042,632)	(1,127,831)
(235,958)	696,439	(64,013)	81,121	(85,359)	602,601
2,556,624	(425,022)	3,080,254	2,858,243	3,601,823	(3,235,855)
16,112,267	18,668,891	18,243,869	21,324,123	24,182,366	27,784,189
18,668,891	18,243,869	21,324,123	24,182,366	27,784,189	24,548,334
944,019	3,388,084	1,721,563	(555,189)	(2,255,496)	3,059,002
95.19%	84.34%	92.53%	102.35%	108.84%	88.92%
3,899,260	3,942,410	4,223,221	4,287,418	4,722,529	4,953,572
24.21%	85.94%	40.76%	(12.95%)	(47.76%)	61.75%

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2023

	4/30/2015	4/30/2016
Total Pension Liability		
Service Cost	\$ 517,324	515,213
Interest	1,343,788	1,384,020
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	—	429,395
Change of Assumptions	—	(104,277)
Benefit Payments, Including Refunds of Member Contributions	(531,926)	(576,191)
Net Change in Total Pension Liability	1,329,186	1,648,160
Total Pension Liability - Beginning	19,462,914	20,792,100
Total Pension Liability - Ending	20,792,100	22,440,260
Plan Fiduciary Net Position		
Contributions - Employer	\$ 774,820	836,569
Contributions - Members	228,686	253,766
Net Investment Income	678,031	(171,522)
Benefit Payments, Including Refunds of Member Contributions	(531,926)	(576,191)
Administrative Expenses	(29,442)	(27,663)
Net Change in Plan Fiduciary Net Position	1,120,169	314,959
Plan Net Position - Beginning	9,462,258	10,582,427
Plan Net Position - Ending	10,582,427	10,897,386
Employer's Net Pension Liability	\$ 10,209,673	11,542,874
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.90%	48.56%
Covered Payroll	\$ 2,252,880	2,524,246
Employer's Net Pension Liability as a Percentage of Covered Payroll	453.18%	457.28%

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

4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022	4/30/2023
549,990	587,114	663,841	651,007	907,869	857,836	825,185
1,491,865	1,533,546	1,654,139	1,807,275	1,924,035	2,038,105	2,234,922
—	—	—	86,689	—	—	(19,832)
(808,914)	(140,737)	513,086	(658,085)	877,869	(1,530,438)	797,072
—	570,324	127,761	1,195,300	(178,874)	148,119	—
(624,992)	(658,048)	(742,151)	(765,288)	(792,711)	(906,293)	(1,048,393)
607,949	1,892,199	2,216,676	2,316,898	2,738,188	607,329	2,788,954
22,440,260	23,048,209	24,940,408	27,157,084	29,473,982	32,212,170	32,819,499
23,048,209	24,940,408	27,157,084	29,473,982	32,212,170	32,819,499	35,608,453
890,526	981,772	1,043,322	1,111,866	1,205,010	1,486,404	1,469,028
248,346	254,053	262,115	301,404	355,140	335,849	339,445
975,546	753,770	992,364	222,933	4,573,530	(733,754)	427,815
(624,992)	(658,048)	(742,151)	(765,288)	(792,711)	(906,293)	(1,048,393)
(30,859)	(29,519)	(38,666)	(50,278)	(36,630)	(37,632)	(34,429)
1,458,567	1,302,028	1,516,984	820,637	5,304,339	144,574	1,153,466
10,897,386	12,355,953	13,657,981	15,174,965	15,995,602	21,299,941	21,444,515
12,355,953	13,657,981	15,174,965	15,995,602	21,299,941	21,444,515	22,597,981
10,692,256	11,282,427	11,982,119	13,478,380	10,912,229	11,374,984	13,010,472
53.61%	54.76%	55.88%	54.27%	66.12%	65.34%	63.46%
2,442,326	2,521,702	2,696,284	3,041,411	3,228,811	3,210,350	3,425,279
437.79%	447.41%	444.39%	443.16%	337.96%	354.32%	379.84%

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2023

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%
2020	1.52%
2021	27.75%
2022	(3.26%)
2023	4.15%

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 Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2023

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2023

	4/30/2018	4/30/2019
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-Employee Payroll	\$ 5,636,689	6,371,153
Total OPEB Liability as a Percentage of Covered-Employee 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 - 2023.

4/30/2020	4/30/2021	4/30/2022	4/30/2023
36,522	46,558	49,709	44,147
61,147	50,194	47,181	52,468
—	—	—	—
348,756	—	(229,168)	—
301,100	70,961	(280,870)	(79,185)
(48,929)	(53,887)	(46,122)	(15,428)
698,596	113,826	(459,270)	2,002
1,289,089	1,987,685	2,101,511	1,642,241
1,987,685	2,101,511	1,642,241	1,644,243
7,242,708	7,808,895	8,054,712	8,505,549
27.44%	26.91%	20.39%	19.33%

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 4,069,700	4,069,700	4,172,073
Utility Taxes	1,500,000	1,500,000	1,848,877
Intergovernmental			
Sales Taxes	10,000,000	10,000,000	10,897,282
Income Taxes	2,200,000	2,200,000	3,123,381
Use Taxes	600,000	600,000	832,250
Replacement	50,000	50,000	182,446
Other Taxes	31,500	31,500	33,503
Grants	1,321,000	1,321,000	1,320,970
Charges for Services	2,059,500	2,059,500	2,375,864
Licenses and Permits	980,200	980,200	1,010,835
Fines and Forfeitures	141,500	141,500	209,500
Interest Income	2,500	2,500	583,721
Miscellaneous	103,900	103,900	198,272
Total Revenues	23,059,800	23,059,800	26,788,974
Expenditures			
General Government	1,690,100	1,690,100	1,190,569
Public Safety	8,831,500	8,831,500	7,993,777
Public Works	4,088,900	4,088,900	3,574,713
Solid Waste	1,722,500	1,722,500	1,674,427
Building and Community Development	2,054,100	2,054,100	1,505,758
Total Expenditures	18,387,100	18,387,100	15,939,244
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	4,672,700	4,672,700	10,849,730
Other Financing (Uses)			
Transfers Out	—	—	(10,773,794)
Net Change in Fund Balance	4,672,700	4,672,700	75,936
Fund Balance - Beginning			7,170,358
Fund Balance - Ending			7,246,294

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 775,000	775,000	794,419
Rebuild Illinois	195,300	195,300	195,317
Grants	760,000	760,000	(22)
Interest Income	1,000	1,000	135,803
Total Revenues	1,731,300	1,731,300	1,125,517
Expenditures			
Capital Outlay	3,371,000	3,371,000	53,589
Net Change in Fund Balance	(1,639,700)	(1,639,700)	1,071,928
Fund Balance - Beginning			3,574,678
Fund Balance - Ending			4,646,606

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
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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 to expenditure 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 FUNDS

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.

INDIVIDUAL FUND DESCRIPTIONS

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, 2023

	Budget		Actual
	Original	Final	
General Government			
Office of the Mayor			
Personnel	\$ 54,100	54,100	51,921
Professional Fees	80,000	80,000	42,976
Communication	25,500	25,500	6,437
Professional Development	95,000	95,000	42,685
Contractual Services	10,000	10,000	10,000
Supplies	500	500	155
Administration			
Personnel	590,400	590,400	489,424
Maintenance	8,000	8,000	3,205
Professional Fees	57,500	57,500	94
Communication	23,500	23,500	16,963
Professional Development	63,200	63,200	52,594
Contractual Services	24,500	24,500	16,506
Supplies	55,500	55,500	34,629
Civil Defense			
Maintenance	28,000	28,000	5,450
Finance			
Personnel	422,500	422,500	331,035
Maintenance	1,000	1,000	629
Professional Fees	34,000	34,000	27,355
Communication	2,500	2,500	2,129
Professional Development	5,500	5,500	2,280
Contractual Services	34,400	34,400	18,875
Supplies	74,500	74,500	35,227
Total General Government	1,690,100	1,690,100	1,190,569
Public Safety			
Police Protections			
Personnel	7,408,000	7,408,000	6,768,741
Maintenance	66,500	66,500	60,227
Professional Fees	136,500	136,500	204,656
Communication	480,000	480,000	443,579
Professional Development	93,000	93,000	59,917
Contractual Services	157,500	157,500	109,702
Supplies	473,000	473,000	337,702

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2023

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police/Fire Commission			
Personnel	\$ 14,600	14,600	8,878
Professional Fees	1,000	1,000	—
Professional Development	900	900	375
Supplies	500	500	—
Total Public Safety	8,831,500	8,831,500	7,993,777
Public Works			
Street and Bridge			
Personnel	2,113,500	2,113,500	1,920,192
Maintenance	1,341,500	1,341,500	1,110,751
Professional Fees	59,500	59,500	31,375
Communication	9,500	9,500	8,474
Professional Development	12,000	12,000	6,569
Contractual Services	350,400	350,400	294,124
Supplies	202,500	202,500	203,228
Total Public Works	4,088,900	4,088,900	3,574,713
Solid Waste			
Garbage Disposal			
Contractual Services	1,722,500	1,722,500	1,674,427
Building and Community Development			
Building			
Personnel	835,000	835,000	652,628
Maintenance	31,500	31,500	6,019
Professional Fees	155,500	155,500	146,662
Communication	5,000	5,000	3,529
Professional Development	9,700	9,700	3,634
Contractual Services	28,500	28,500	20,347
Supplies	112,800	112,800	80,036

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2023

	Budget		Actual
	Original	Final	
Building and Community Development - Continued			
Community Development			
Personnel	\$ 536,200	536,200	370,397
Maintenance	5,700	5,700	7,448
Professional Fees	247,500	247,500	165,660
Communication	6,700	6,700	4,390
Professional Development	13,300	13,300	3,230
Contractual Services	12,500	12,500	9,067
Supplies	54,200	54,200	32,711
Total Building and Community Development	2,054,100	2,054,100	1,505,758
Total Expenditures	18,387,100	18,387,100	15,939,244

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 155,000	155,000	103,966
Intergovernmental	400,000	400,000	—
Interest Income	20,000	20,000	490,786
Miscellaneous	8,000	8,000	27,384
Total Revenues	583,000	583,000	622,136
Expenditures			
Public Works			
Professional Services	35,000	35,000	366
Capital Outlay	11,204,300	11,204,300	7,592,033
Total Expenditures	11,239,300	11,239,300	7,592,399
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,656,300)	(10,656,300)	(6,970,263)
Other Financing Sources			
Disposal of Capital Assets	10,000	10,000	9,527
Transfers In	—	—	10,773,794
	10,000	10,000	10,783,321
Net Change in Fund Balance	(10,646,300)	(10,646,300)	3,813,058
Fund Balance - Beginning			23,902,543
Fund Balance - Ending			27,715,601

VILLAGE OF FRANKFORT, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2023

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales and Sewer Fees	\$ 13,250,000	13,250,000	13,611,169
Sale of Water Meters	45,000	45,000	35,160
Miscellaneous	14,500	14,500	24,991
Total Operating Revenues	13,309,500	13,309,500	13,671,320
Operating Expenses			
Personnel	3,194,900	3,194,900	2,703,945
Contractual Services	3,282,100	3,282,100	2,240,582
Commodities	958,000	958,000	745,405
Capital Improvements	10,704,000	10,704,000	211,165
Depreciation and Amortization	—	—	3,625,109
Total Operating Expenses	18,139,000	18,139,000	9,526,206
Operating Income (Loss)	(4,829,500)	(4,829,500)	4,145,114
Nonoperating Revenues (Expenses)			
Other Income	15,000	15,000	79,040
Interest Income	32,000	32,000	811,311
Interest Expense	(3,600,000)	(3,600,000)	(847,261)
	(3,553,000)	(3,553,000)	43,090
Income (Loss) Before Capital Grant	(8,382,500)	(8,382,500)	4,188,204
Capital Grant	500,000	500,000	122,900
Change in Net Position	(7,882,500)	(7,882,500)	4,311,104
Net Position - Beginning			102,522,471
Net Position - Ending			106,833,575

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, 2023**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,471,500	1,471,500	1,469,028
Contributions - Plan Members	300,000	300,000	339,445
Total Contributions	1,771,500	1,771,500	1,808,473
Investment Income			
Interest Earned	250,000	250,000	206,975
Net Change in Fair Value	—	—	252,943
	250,000	250,000	459,918
Less Investment Expenses	(50,000)	(50,000)	(32,103)
Net Investment Income (Loss)	200,000	200,000	427,815
Total Additions	1,971,500	1,971,500	2,236,288
Deductions			
Administration	55,000	55,000	34,429
Benefits and Refunds	1,250,000	1,250,000	1,048,393
Total Deductions	1,305,000	1,305,000	1,082,822
Change in Fiduciary Net Position	666,500	666,500	1,153,466
Net Position Restricted for Pensions			
Beginning			21,444,515
Ending			22,597,981

SUPPLEMENTAL SCHEDULES

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency (IEPA) (L17-3468) Loan of 2011

April 30, 2023

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
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
	772,053	—	772,053

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016

April 30, 2023

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
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
	8,663,818	1,216,934	9,880,752

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency (IEPA) (L17-5388) Loan of 2017

April 30, 2023

Date of Issue	November 7, 2017
Date of Maturity	April 8, 2039
Authorized Issue	\$36,529,241
Interest Rate	1.76%
Interest Dates	April 8 and October 8
Payable at	April 8 and October 8
Loan Number	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 1,661,364	528,013	2,189,377
2025	1,690,733	498,644	2,189,377
2026	1,720,621	468,756	2,189,377
2027	1,751,037	438,340	2,189,377
2028	1,781,991	407,386	2,189,377
2029	1,813,492	375,885	2,189,377
2030	1,845,549	343,828	2,189,377
2031	1,878,174	311,203	2,189,377
2032	1,911,376	278,001	2,189,377
2033	1,945,164	244,213	2,189,377
2034	1,979,550	209,827	2,189,377
2035	2,014,543	174,834	2,189,377
2036	2,050,155	139,222	2,189,377
2037	2,086,396	102,981	2,189,377
2038	2,123,278	66,099	2,189,377
2039	2,160,814	28,563	2,189,377
	30,414,237	4,615,795	35,030,032

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency (IEPA) (L17-5408) Loan of 2019

April 30, 2023

Date of Issue	May 31, 2019
Date of Maturity	May 30, 2041
Authorized Issue	\$7,273,677
Interest Rate	1.84%
Interest Dates	May 30 and November 30
Payable at	May 30 and November 30
Loan Number	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 314,030	124,638	438,668
2025	319,835	118,833	438,668
2026	325,747	112,921	438,668
2027	331,769	106,899	438,668
2028	337,901	100,767	438,668
2029	344,147	94,521	438,668
2030	350,509	88,159	438,668
2031	356,987	81,681	438,668
2032	363,586	75,082	438,668
2033	370,307	68,361	438,668
2034	377,151	61,517	438,668
2035	384,123	54,545	438,668
2036	391,224	47,444	438,668
2037	398,456	40,212	438,668
2038	405,821	32,847	438,668
2039	413,322	25,346	438,668
2040	420,962	17,706	438,668
2041	428,743	9,925	438,668
2042	217,337	1,999	219,336
	6,851,957	1,263,403	8,115,360

VILLAGE OF FRANKFORT, ILLINOIS

Consolidated Year-End Financial Report April 30, 2023

CSFA #	Program Name	State	Federal	Other	Totals
444-26-1565	Tobacco Enforcement Grant Program	\$ —	545	—	545
	Other Grant Programs and Activities	122,900	1,320,425	2,241	1,445,566
	All Other Costs Not Allocated	—	—	36,179,525	36,179,525
	Totals	122,900	1,320,970	36,181,766	37,625,636



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

August 30, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Frankfort, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated August 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Village of Frankfort, Illinois
August 30, 2023

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive 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 government'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, 2023 (Unaudited)

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years* April 30, 2023 (Unaudited)

	2014	2015	2016
Governmental Activities			
Net Investment in Capital Assets	\$ 117,254,446	117,128,772	114,140,516
Restricted	964,242	7,085,507	5,383,990
Unrestricted	15,162,051	6,726,567	(2,941,994)
Total Governmental Activities Net Position	133,380,739	130,940,846	116,582,512
Business-Type Activities			
Net Investment in Capital Assets	75,189,807	81,119,996	82,055,859
Unrestricted	20,536,633	13,326,091	9,993,638
Total Business-Type Activities Net Position	95,726,440	94,446,087	92,049,497
Primary Government			
Net Investment in Capital Assets	192,444,253	198,248,768	196,196,375
Restricted	964,242	7,085,507	5,383,990
Unrestricted	35,698,684	20,052,658	7,051,644
Total Primary Government Net Position	229,107,179	225,386,933	208,632,009

*Accrual Basis of Accounting

Data Source: Village Records

2017	2018	2019	2020	2021	2022	2023
114,633,501	111,052,299	108,277,749	105,455,418	105,117,978	102,258,656	98,478,625
568,666	926,265	1,296,856	1,755,931	2,509,547	3,574,678	4,646,606
1,136,771	1,891,938	3,851,177	5,551,718	10,392,656	17,370,329	21,362,890
116,338,938	113,870,502	113,425,782	112,763,067	118,020,181	123,203,663	124,488,121
81,719,708	78,129,382	76,645,300	67,597,225	72,155,113	74,085,516	75,676,600
10,957,613	16,088,229	20,584,311	25,282,911	25,474,143	28,436,955	31,156,975
92,677,321	94,217,611	97,229,611	92,880,136	97,629,256	102,522,471	106,833,575
196,353,209	189,181,681	184,923,049	173,052,643	177,273,091	176,344,172	174,155,225
568,666	926,265	1,296,856	1,755,931	2,509,547	3,574,678	4,646,606
12,094,384	17,980,167	24,435,488	30,834,629	35,866,799	45,807,284	52,519,865
209,016,259	208,088,113	210,655,393	205,643,203	215,649,437	225,726,134	231,321,696

VILLAGE OF FRANKFORT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* April 30, 2023 (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General Government	\$ 1,395,084	1,263,524	3,332,029	2,557,616	1,817,834	1,429,444	2,274,111	948,334	503,718	1,299,535
Community Development	908,189	1,104,635	1,356,325	1,083,800	1,060,317	1,355,137	1,188,517	1,276,927	1,454,271	1,551,558
Public Safety	5,422,269	5,866,812	7,179,980	6,360,475	6,594,006	6,828,855	7,586,304	6,839,665	7,745,050	8,273,997
Public Works	8,758,146	9,115,705	7,386,535	6,497,624	7,428,788	8,398,601	9,128,334	10,692,356	10,854,308	14,452,652
Solid Waste	1,286,640	1,358,153	1,373,180	1,417,644	1,397,520	1,412,339	1,460,001	1,513,433	1,590,642	1,674,427
Interest on Long-Term Debt	63,732	26,606	—	—	—	—	—	—	—	—
Total Governmental Activities Expenses	17,834,060	18,735,435	20,628,049	17,917,159	18,298,465	19,424,376	21,637,267	21,270,715	22,147,989	27,252,169
Business-Type Activities										
Water and Sewer	7,537,359	8,317,325	9,077,684	8,209,968	8,702,533	9,041,307	16,949,322	8,889,682	9,550,444	10,373,467
Total Primary Government Expenses	25,371,419	27,052,760	29,705,733	26,127,127	27,000,998	28,465,683	38,586,589	30,160,397	31,698,433	37,625,636
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	867,087	1,596,632	1,620,303	1,533,846	1,563,728	1,678,742	1,606,004	1,508,036	1,899,820	1,698,316
Community Development	557,223	—	—	—	—	—	—	—	—	—
Public Safety	286,908	541,833	556,228	560,164	169,484	121,794	163,908	234,781	280,846	290,028
Public Works	92,511	587,238	356,419	306,940	172,782	167,465	138,879	203,032	195,799	103,966
Solid Waste	263,076	246,178	268,654	274,725	874,912	1,344,024	1,417,309	1,473,538	1,543,090	1,607,855
Operating Grants/Contributions	494,933	468,251	505,304	494,854	608,836	38,293	1,890	851,921	2,261	2,786
Capital Grants/Contributions	349,361	104,574	443,223	2,511,139	47,476	853,459	928,569	4,193,546	1,153,724	989,714
Total Governmental Activities										
Program Revenues	2,911,099	3,544,706	3,750,131	5,681,668	3,437,218	4,203,777	4,256,559	8,464,854	5,075,540	4,692,665
Business-Type Activities										
Charges for Services										
Water and Sewer	7,926,304	7,638,725	7,726,967	8,702,382	10,150,435	11,689,036	11,955,776	13,549,321	13,762,440	13,671,320
Operating Grants/Contributions	—	—	—	—	—	—	—	—	—	—
Capital Grants/Contributions	—	—	—	55,000	—	—	—	—	908,050	122,900
Total Business-Type Activities Program Revenues	7,926,304	7,638,725	7,726,967	8,757,382	10,150,435	11,689,036	11,955,776	13,549,321	14,670,490	13,794,220
Total Primary Government Program Revenues	10,837,403	11,183,431	11,477,098	14,439,050	13,587,653	15,892,813	16,212,335	22,014,175	19,746,030	18,486,885

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expenses) Revenues										
Governmental Activities	\$ (14,922,961)	(15,190,729)	(16,877,918)	(12,235,491)	(14,861,247)	(15,220,599)	(17,380,708)	(12,805,861)	(17,072,449)	(22,559,504)
Business-Type Activities	388,945	(678,600)	(1,350,717)	547,414	1,447,902	2,647,729	(4,993,546)	4,659,639	5,120,046	3,420,753
Total Primary Government Net (Expenses) Revenues	(14,534,016)	(15,869,329)	(18,228,635)	(11,688,077)	(13,413,345)	(12,572,870)	(22,374,254)	(8,146,222)	(11,952,403)	(19,138,751)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	3,637,695	3,541,613	3,547,862	3,565,618	3,697,632	3,774,240	3,864,952	3,971,304	4,022,031	4,172,073
Utility	—	—	—	—	1,326,531	1,938,633	1,751,412	1,621,180	1,799,739	1,848,877
Intergovernmental										
Sales Taxes	5,756,785	5,797,015	6,078,143	6,004,269	6,048,104	5,942,547	7,883,132	9,160,968	10,994,405	10,897,282
Income Taxes	1,698,153	1,791,461	1,818,863	1,676,626	1,618,056	1,839,642	1,749,481	2,158,420	3,058,907	3,123,381
Use Taxes	—	—	—	438,441	467,728	540,628	622,245	799,960	750,664	832,250
Replacement Taxes	55,772	54,238	57,438	63,357	49,120	51,911	58,769	70,648	154,555	182,446
ARPA Grants	—	—	—	—	—	—	—	—	1,318,184	1,318,184
Interest Income	30,786	59,032	31,886	51,246	112,255	393,571	462,883	55,969	(133,738)	1,210,310
Miscellaneous	526,201	817,102	410,480	192,360	211,027	294,707	325,119	224,526	291,184	259,159
Transfers - Internal Balances	665,600	690,375	183,713	—	—	—	—	—	—	—
Total Governmental Activities	12,370,992	12,750,836	12,128,385	11,991,917	13,530,453	14,775,879	16,717,993	18,062,975	22,255,931	23,843,962
Business-Type Activities										
Interest Income	38,926	59,295	49,484	28,803	64,340	350,032	531,388	71,361	(246,247)	811,311
Miscellaneous	453,378	29,327	33,519	51,607	28,048	14,239	112,683	18,120	19,416	79,040
Transfers - Internal Balances	(665,600)	(690,375)	—	—	—	—	—	—	—	—
Total Business-Type Activities	(173,296)	(601,753)	83,003	80,410	92,388	364,271	644,071	89,481	(226,831)	890,351
Total Primary Government	12,197,696	12,149,083	12,211,388	12,072,327	13,622,841	15,140,150	17,362,064	18,152,456	22,029,100	24,734,313
Changes in Net Position										
Governmental Activities	(2,551,969)	(2,439,893)	(4,749,533)	(243,574)	(1,330,794)	(444,720)	(662,715)	5,257,114	5,183,482	1,284,458
Business-Type Activities	215,649	(1,280,353)	(1,267,714)	627,824	1,540,290	3,012,000	(4,349,475)	4,749,120	4,893,215	4,311,104
Total Primary Government	(2,336,320)	(3,720,246)	(6,017,247)	384,250	209,496	2,567,280	(5,012,190)	10,006,234	10,076,697	5,595,562

* Accrual Basis of Accounting
Data Source: Village Records

VILLAGE OF FRANKFORT, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*

April 30, 2023 (Unaudited)

	2014	2015	2016
General Fund			
Nonspendable	\$ —	—	—
Unassigned	1,974,361	2,456,397	1,435,089
Total General Fund	1,974,361	2,456,397	1,435,089
All Other Governmental Funds			
Restricted	964,242	7,085,507	5,383,990
Assigned	14,982,283	5,587,701	7,917,827
Total All Other Governmental Funds	15,946,525	12,673,208	13,301,817
Total Governmental Funds	17,920,886	15,129,605	14,736,906

* Modified Accrual Basis of Accounting

Data Source: Village Records

2017	2018	2019	2020	2021	2022	2023
300,361	—	—	—	—	—	—
5,802,314	6,125,057	6,125,057	6,125,057	7,170,358	7,170,358	7,246,294
6,102,675	6,125,057	6,125,057	6,125,057	7,170,358	7,170,358	7,246,294
568,666	926,265	1,296,856	1,755,931	2,509,547	3,574,678	4,646,606
8,037,721	10,097,648	12,107,992	15,229,446	18,449,525	23,902,543	27,715,601
8,606,387	11,023,913	13,404,848	16,985,377	20,959,072	27,477,221	32,362,207
14,709,062	17,148,970	19,529,905	23,110,434	28,129,430	34,647,579	39,608,501

VILLAGE OF FRANKFORT, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*

April 30, 2023 (Unaudited)

	2014	2015	2016
Revenues			
Taxes			
Property	\$ 3,637,695	3,900,889	3,547,862
Utility	—	—	—
Intergovernmental			
Sales Taxes	5,756,785	6,156,291	6,488,623
Use Taxes	—	—	—
Income Taxes	1,698,153	1,791,461	1,818,863
Motor Fuel Taxes	471,415	468,251	487,332
Other Taxes	—	—	—
Replacement	55,772	54,238	57,438
Grants	372,879	104,574	461,195
Charges for Services	809,238	949,794	985,875
Licenses and Permits	1,000,420	1,472,717	1,606,092
Fees by Agreement	45,368	—	—
Fines and Forfeitures	211,779	190,094	209,637
Interest Income	30,786	59,032	31,886
Miscellaneous	526,201	457,826	183,713
Total Revenues	14,616,491	15,605,167	15,878,516
Expenditures			
General Government	1,252,249	1,226,492	1,212,974
Building and Community Development	824,135	1,026,036	990,264
Public Safety	5,207,943	5,590,913	5,806,743
Public Works	4,579,825	3,954,226	3,963,254
Solid Waste	1,286,640	1,358,153	1,373,180
Capital Outlay	3,644,142	5,275,911	2,938,387
Debt Service			
Principal Retirement	234,076	690,000	—
Interest and Fiscal Charges	431,524	375	—
Total Expenditures	17,460,534	19,122,106	16,284,802
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,844,043)	(3,516,939)	(406,286)
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	35,283	13,587
Transfers In	3,429,014	3,463,386	6,097,564
Transfers Out	(2,763,414)	(2,773,011)	(6,097,564)
	665,600	725,658	13,587
Net Change in Fund Balances	(2,178,443)	(2,791,281)	(392,699)
Debt Service as a Percentage of Noncapital Expenditures	4.60%	4.40%	0.00%

*Modified Accrual Basis of Accounting

Data Source: Village Records

2017	2018	2019	2020	2021	2022	2023
3,565,618	3,697,632	3,774,240	3,864,952	3,971,304	4,022,031	4,172,073
—	1,326,531	1,938,633	1,751,412	1,621,180	1,799,739	1,848,877
6,442,710	6,048,104	5,942,547	7,883,132	9,160,968	10,994,405	10,897,282
—	467,728	540,628	622,245	799,960	750,664	832,250
1,676,626	1,618,056	1,839,642	1,749,481	2,158,420	3,058,907	3,123,381
483,219	485,908	500,515	663,993	712,559	761,342	794,419
—	—	—	—	16,201	30,966	33,503
63,357	49,120	51,911	58,769	70,648	154,555	182,446
261,811	170,404	208,655	266,466	1,543,478	1,712,827	1,516,265
1,040,612	1,633,558	2,093,455	2,163,159	2,240,145	2,583,603	2,479,830
1,478,158	972,226	1,064,920	1,020,031	1,003,214	1,139,260	1,010,835
—	—	—	—	—	—	—
156,905	175,122	153,650	142,910	176,028	196,692	209,500
51,246	112,255	393,571	462,883	55,969	(133,738)	1,210,310
192,360	211,027	294,707	325,119	208,325	260,218	225,656
15,412,622	16,967,671	18,797,074	20,974,552	23,738,399	27,331,471	28,536,627
1,179,576	1,161,025	1,029,421	1,019,371	1,010,353	1,198,939	1,190,569
1,008,065	972,944	1,286,600	1,117,485	1,205,895	1,388,727	1,505,758
5,914,044	5,993,216	6,193,337	6,788,954	7,133,159	7,875,618	7,993,777
3,353,639	3,040,776	3,173,548	3,336,583	3,572,749	3,411,259	3,575,079
1,417,644	1,397,520	1,412,339	1,460,001	1,513,433	1,590,642	1,674,427
2,580,039	1,966,920	3,328,299	3,686,993	4,684,786	5,427,928	7,645,622
—	—	—	—	—	—	—
—	—	—	—	—	—	—
15,453,007	14,532,401	16,423,544	17,409,387	19,120,375	20,893,113	23,585,232
(40,385)	2,435,270	2,373,530	3,565,165	4,618,024	6,438,358	4,951,395
12,541	4,638	7,405	15,364	400,972	79,791	9,527
7,301,970	3,600,000	4,603,255	5,844,269	6,600,000	10,652,530	10,773,794
(7,301,970)	(3,600,000)	(4,603,255)	(5,844,269)	(6,600,000)	(10,652,530)	(10,773,794)
12,541	4,638	7,405	15,364	400,972	79,791	9,527
(27,844)	2,439,908	2,380,935	3,580,529	5,018,996	6,518,149	4,960,922
0.00%	0.00%	0.00%	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 - Lake County April 30, 2023 (Unaudited)

Fiscal Year	Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
2014	2013	\$ 662,228,819	\$ 2,653,374	\$ 99,301,209	\$ 40,216,961
2015	2014	657,182,007	2,622,087	95,953,106	39,649,377
2016	2015	673,559,289	2,668,354	91,283,575	39,539,740
2017	2016	707,530,858	2,759,487	91,282,036	39,509,741
2018	2017	739,990,205	2,896,756	90,962,121	39,498,673
2019	2018	765,931,150	3,001,482	92,756,943	39,461,243
2020	2019	792,086,069	3,147,112	91,919,880	39,911,429
2021	2020	820,359,315	3,260,498	93,600,498	40,202,176
2022	2021	861,514,956	3,272,825	93,868,768	41,043,131
2023	2022	944,615,027	3,610,747	94,873,112	41,662,139

Note:

The Village does not levy for property taxes other than special service area taxes; therefore, the Village's direct tax rate is zero.

Data Source: Office of the County Clerk

Total	Rail Road	Total Taxable Assessed Value	Assessed Value as a Percentage of Estimated Actual Value	Total Direct Tax Rate
\$ 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
927,064,490	509,315	927,573,805	33.33	0.4279
957,422,487	503,158	957,925,645	33.33	0.4189
999,699,680	451,684	1,000,151,364	33.33	0.4168
1,084,761,025	461,533	1,085,222,558	33.33	0.4064

VILLAGE OF FRANKFORT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years - Cook County April 30, 2023 (Unaudited)

	2013	2014	2015
Direct Rates			
Village of Frankfort			
Corporate	0.0024	0.0045	0.0062
Police Protection	0.1492	0.1517	0.1486
Garbage Disposal	0.0392	0.0247	0.0219
I.M.R.F	0.0268	0.0273	0.0267
Social Security	0.0249	0.0254	0.0248
Police Pension	0.0965	0.1053	0.1106
PA 102 059 Adj	0.0000	0.0000	0.0000
Road and Bridge	0.0990	0.1055	0.1017
	0.4380	0.4444	0.4405
Overlapping Rates			
Will County Forest Preserve District	0.1970	0.1977	0.1937
Will County	0.5994	0.6210	0.6140
Will County Building Comm.	0.0222	0.0223	0.0218
Frankfort Township Funds	0.0960	0.0998	0.0998
Frankfort Township Road Funds	0.0205	0.1167	0.1138
Frankfort Fire Protection District	0.7840	0.8157	0.8224
Frankfort School District #157-C	3.9318	4.0179	4.0362
Crete-Monee School District #201-U	8.1372	8.8188	8.6262
Peotone School District #207-U	4.4680	4.5933	4.6250
Lincoln-Way High School District #210	2.0650	2.1394	2.1594
Prairie State Community College District #515	0.4429	0.4585	0.4703
Joliet Community College District #525	0.2955	0.3066	0.3065
Frankfort Park District	0.2215	0.2286	0.2302
Frankfort Square Park District	0.6265	0.6527	0.6699
Frankfort Public Library	0.1988	0.2049	0.2067
Mokena Community Library District	0.3229	0.3169	0.3392
Mokena Fire District	0.9684	1.0097	1.0245
Green Garden Township Fund	0.1350	0.1383	0.1387
Green Garden Township Road Fund	0.4419	0.4526	0.4538
Monee Township Fund	0.2160	0.2288	0.2284
Monee Township Road Fund	0.1761	0.3383	0.3378
Monee Fire Protection District	0.9056	0.9489	0.9502
Peotone Library District	0.1102	0.1138	0.1134
Mokena Community Park District	0.3184	0.3234	0.3255
Summit Hill School District #161	3.9036	4.1112	4.1590
Total Direct and Overlapping Rates	30.0424	31.7202	31.7069

Notes:

Rates are per \$1,000 of Assessed Value

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

Data Source: Office of the Will County Clerk

2016	2017	2018	2019	2020	2021	2022
0.0051	0.0050	0.0051	0.0054	0.0056	0.0061	0.0065
0.1560	0.1374	0.1399	0.1329	0.1061	0.1145	0.1268
0.0068	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0281	0.0326	0.0264	0.0278	0.0270	0.0259	0.0239
0.0261	0.0440	0.0436	0.0421	0.0443	0.0425	0.0392
0.1166	0.1196	0.1235	0.1302	0.1553	0.1472	0.1292
0.0000	0.0000	0.0000	0.0000	0.0000	0.0008	0.0005
0.0981	0.0929	0.0896	0.0895	0.0806	0.0798	0.0803
0.4368	0.4315	0.4281	0.4279	0.4189	0.4168	0.4064
0.1944	0.1895	0.1504	0.1462	0.1443	0.1339	0.1257
0.6121	0.5986	0.5927	0.5842	0.5788	0.5761	0.5620
0.0026	—	—	—	—	—	—
0.0962	0.0951	0.0926	0.0931	0.0934	0.0904	0.0878
0.1097	0.1083	0.1061	0.1015	0.1054	0.1039	0.0952
0.8078	0.8084	0.8108	0.8155	0.8223	0.8174	0.8066
3.9139	3.8339	3.6675	3.5394	3.5494	3.5315	3.5053
8.6810	8.7142	8.4857	8.3662	8.1108	7.8168	7.4794
4.5481	4.5288	4.5453	4.0812	3.7374	3.6389	3.4484
2.1189	2.1207	2.1292	2.1550	2.1911	2.1986	2.1877
0.5537	0.4577	0.4481	0.4595	0.4336	0.4148	0.4099
0.3099	0.2994	0.2924	0.2938	0.2891	0.2848	0.2876
0.2268	0.2263	0.2274	0.2284	0.2278	0.2254	0.2196
0.6433	0.6382	0.6274	0.6396	0.6383	0.5349	0.5236
0.2033	0.2025	0.2035	0.2044	0.2041	0.2033	0.2028
0.3338	0.3327	0.3335	0.3356	0.3371	0.3268	0.3164
1.0093	1.0095	1.0126	1.0235	1.0269	1.0149	1.0160
0.1350	0.1378	0.1386	0.1335	0.1346	0.1324	0.1290
0.4417	0.4508	0.4533	0.4546	0.4583	0.4507	0.4393
0.2185	0.2177	0.2206	0.2158	0.2144	0.2135	0.2100
0.3231	0.3219	0.3262	0.3191	0.3171	0.3150	0.3102
0.9087	0.9040	0.8968	0.8925	0.8854	0.8774	0.8536
0.1092	0.1089	0.1079	0.1068	0.1071	0.1052	0.1024
0.3208	0.3175	0.3160	0.3154	0.3139	0.3086	0.3048
4.1149	4.1024	4.1247	4.1544	4.1765	4.1634	4.1712
31.3735	31.1563	30.7374	30.0871	29.5160	28.8954	28.2009

VILLAGE OF FRANKFORT, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2023 (Unaudited)

Taxpayer	2022			2014		
	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	0.46%	\$ 5,072,587	3	0.63%
Frankfort Crossing LLC	3,727,734	2	0.34%			
CAB Holdings Inc.	2,967,989	3	0.27%	3,156,654	7	0.39%
Cedarhurst Frankfort RE LLC	2,471,257	4	0.23%			
Butera Center Management Inc.	2,394,800	5	0.22%	2,688,700	8	0.33%
Inland Prairie Crossings LLC	2,254,882	6	0.21%			
Charm III LLC-Home Depot USA	1,776,714	7	0.16%	4,832,944	4	0.60%
Realty Income IL Properties 2	1,587,558	8	0.15%			
Performance Management	1,316,667	9	0.12%			
Crown Centre Frankfort LLC	1,314,740	10	0.12%			
Chicago Title Land Trust Co.				8,610,048	1	1.07%
Frankfort Prairie LLC				5,279,132	2	0.66%
BRE Throne Frankfort Xing LLC				4,400,000	5	0.55%
Harris Bank NA				3,662,721	6	0.46%
Inland Hickory Creek LLC				2,661,545	9	0.33%
Speedway LLC				2,115,989	10	0.26%
	<u>24,766,941</u>		<u>2.28%</u>	<u>42,480,320</u>		<u>5.28%</u>

Data Source: County Board of Equalization and Assessment

VILLAGE OF FRANKFORT, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Fiscal Year	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
2014	2013	\$ 3,537,834	\$ 3,529,867	99.77%	\$ —	\$ 3,529,867	99.77%
2015	2014	3,529,319	3,529,319	100.00%	—	3,529,319	100.00%
2016	2015	3,564,306	3,554,013	99.71%	—	3,554,013	99.71%
2017	2016	3,685,244	3,685,244	100.00%	—	3,685,244	100.00%
2018	2017	3,780,687	3,774,240	99.83%	—	3,774,240	99.83%
2019	2018	3,870,791	3,864,952	99.85%	—	3,864,952	99.85%
2020	2019	3,980,170	3,971,304	99.78%	—	3,971,304	99.78%
2021	2020	4,025,017	4,022,031	99.93%	—	4,022,031	99.93%
2022	2021	4,181,057	4,172,073	99.79%	—	4,172,073	99.79%
2023	2022	4,426,303	—	0.00%	—	—	0.00%

Note:

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

The 2022 tax levy will be collected in fiscal year 2024.

Data Source: Office of the County Clerk

VILLAGE OF FRANKFORT, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities IEPA Loans Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2014	\$ 663,769	\$ 1,640,607	\$ 2,304,376	274.92%	\$ 123.70
2015	—	1,544,101	1,544,101	187.21%	81.92
2016	—	1,447,595	1,447,595	181.17%	75.79
2017	—	12,440,319	12,440,319	1426.07%	642.15
2018	—	22,187,847	22,187,847	2408.05%	1,129.50
2019	—	47,159,329	47,159,329	4950.76%	2,363.05
2020	—	51,376,222	51,376,222	5077.11%	2,531.35
2021	—	51,429,078	51,429,078	4753.82%	2,492.81
2022	—	49,273,145	49,273,145	4568.76%	2,342.77
2023	—	46,702,065	46,702,065	4097.64%	2,195.88

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

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

Data Source: Village Records

VILLAGE OF FRANKFORT, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Fiscal Year	General Obligation Bonds (3)	Less: Amounts Available for Debt Service	Totals	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2014	\$ 663,769	\$ 1,002	\$ 662,767	0.08%	\$ 35.58
2015	—	—	—	0.00%	—
2016	—	—	—	0.00%	—
2017	—	—	—	0.00%	—
2018	—	—	—	0.00%	—
2019	—	—	—	0.00%	—
2020	—	—	—	0.00%	—
2021	—	—	—	0.00%	—
2022	—	—	—	0.00%	—
2023	—	—	—	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 Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

Data Source: Village Records

VILLAGE OF FRANKFORT, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt April 30, 2023 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village of Frankfort	\$ —	100.00%	\$ —
Overlapping Debt			
Will County	376,229,233	4.445%	16,723,389
Will County Forest Preserve	68,580,000	4.445%	3,048,381
Park Districts:			
Frankfort	1,670,000	99.162%	1,656,005
Frankfort Square	1,391,000	19.938%	277,338
Mokena Community	6,055,020	1.271%	76,959
School Districts			
Frankfort SD # 157-C	8,455,000	92.822%	7,848,100
Summit Hill SD #161	31,231,347	12.618%	3,940,771
Lincoln Way HSD #210	132,889,259	22.791%	30,286,791
Crete-Monee SD #201-U	117,928,245	0.058%	68,398
Peotone SD #207-U	6,960,000	2.028%	141,149
Prairie State Community College	25,073,769	0.120%	30,089
Joliet Community College #525	50,030,000	4.524%	2,263,357
Total Overlapping Debt	826,492,873		66,360,728
Total Direct and Overlapping Debt	826,492,873		66,360,728

(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.

Data Source: Will County Tax Extension Department

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.

VILLAGE OF FRANKFORT, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Fiscal Year	Waterworks and Sewerage Revenue Bonds					
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage
				Principal	Interest	
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
2020	12,487,164	5,071,076	7,416,088	1,928,798	740,576	2.78
2021	13,549,321	4,640,263	8,909,058	2,168,253	792,527	3.01
2022	13,535,609	5,086,053	8,449,556	3,148,932	815,393	2.13
2023	14,561,671	5,901,097	8,660,574	2,797,785	847,261	2.38

(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.

Data Source: Village Records

VILLAGE OF FRANKFORT, ILLINOIS

Schedule of Legal Debt Margin - Last Ten Fiscal Years April 30, 2023 (Unaudited)

	2014	2015	2016	2017
Assessed Valuation	\$ 804,772,884	795,842,797	807,577,029	841,663,276
Bonded Debt Limit - 8.625% of Assessed Value	69,411,661	68,641,441	69,653,519	72,593,458
Less: General Obligation Bonds (1)	663,769	—	—	—
Legal Debt Margin	68,747,892	68,641,441	69,653,519	72,593,458
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	99.04%	100.00%	100.00%	100.00%

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

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

(1) Includes accrued interest on capital appreciation bonds.

2018	2019	2020	2021	2022	2023
873,827,769	901,656,209	927,573,805	957,925,645	1,000,151,364	1,085,222,558
75,367,645	77,767,848	80,003,241	82,621,087	86,263,055	93,600,446
—	—	—	—	—	—
75,367,645	77,767,848	80,003,241	82,621,087	86,263,055	93,600,446
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

VILLAGE OF FRANKFORT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level Age 25 and Older		School Enrollment	Unemployment Rate
					High School	Four Years or More College		
2014	18,628	\$ 838,204	\$ 44,172	39.9	4,586	6,116	9,801	7.80%
2015	18,850	824,800	43,756	40.7	10,961	6,083	9,667	6.10%
2016	19,101	799,030	41,832	40.8	10,937	5,137	9,497	6.40%
2017	19,373	872,347	45,029	41.3	11,535	6,588	8,403	4.40%
2018	19,644	921,402	46,905	43.3	11,866	6,837	8,342	3.40%
2019	19,957	952,568	47,731	42.9	11,902	6,799	8,238	3.70%
2020	20,296	1,011,918	49,858	42.2	11,879	7,065	8,140	17.40%
2021	20,631	1,081,848	52,438	42.1	12,023	7,206	7,959	7.10%
2022	21,032	1,078,479	51,278	41.9	11,873	6,923	7,943	4.10%
2023	21,268	1,139,731	53,589	41.9	12,902.0	7,417	7,839	3.20%

Data Sources: Population - 2020 based on U.S Census Bureau 2020 official 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, 2023 (Unaudited)

Employer	2022			2013		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Retail Trade	1,497	1	N/A	N/A	N/A	N/A
Administrative and Waste Management Services	1,352	2	N/A	N/A	N/A	N/A
Accommodation and Food Services	1,163	3	N/A	N/A	N/A	N/A
Construction	1,065	4	N/A	N/A	N/A	N/A
Manufacturing	898	5	N/A	N/A	N/A	N/A
Health Care and Social Assistance	816	6	N/A	N/A	N/A	N/A
Other Services	616	7	N/A	N/A	N/A	N/A
Professional, Scientific and Technical Services	397	8	N/A	N/A	N/A	N/A
Finance and Insurance	347	9	N/A	N/A	N/A	N/A
Wholesale Trade	298	10	N/A	N/A	N/A	N/A
	<u>8,449</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

Source: Industry Report from Illinois Department of Employment Security

N/A - Not Available

VILLAGE OF FRANKFORT, ILLINOIS

Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Function/Program	2014	2015	2016
General Government	16	14	16
Public Safety	28	28	28
Public Works	16	18	18
Building and Community Development	6	6	5
Waterworks and Sewage	18	21	21
Totals	84	87	88

Data Source: Various Village Records

2017	2018	2019	2020	2021	2022	2023
16	13	13	13	12	12	12
27	27	29	32	35	32	32
16	16	16	17	17	17	18
5	5	5	6	6	7	8
20	20	21	20	20	20	21
84	81	84	88	90	88	91

VILLAGE OF FRANKFORT, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Function/Program	2014	2015	2016
Police			
Arrests	355	535	420
Traffic Violation	7,994	9,404	9,647
Parking Violations	227	249	255
Public Works			
Street Resurfacing (Miles)	2.200	1.900	0.510
Building and Community Development			
Building Permits Issued	94	92	82
Building Value	31,490,000	34,500,000	30,750,000
Inspections	3,063	3,881	3,611
Solid Waste			
Refuse Collected (Tons/Day)	20.93	22.51	23.63
Recyclables Collected (Tons/Day)	5.21	5.74	5.85
Waterworks and Sewage			
Number of Customers	10,872	10,782	10,825
Average Daily Consumption	2,628,101	2,322,122	2,311,614
Total Gallons Billed	959,256,723	847,574,374	843,739,148

Data Source: Various Village Records

2017	2018	2019	2020	2021	2022	2023
413	405	492	358	218	308	431
7,771	7,641	7,358	7,788	7,728	9,257	8,547
249	271	301	283	174	233	216
1.880	1.909	2.680	3.365	4.864	5.900	9.400
88	89	109	85	109	133	77
34,555,822	29,435,000	42,599,550	37,505,000	45,321,000	55,432,750	38,037,000
3,031	3,398	3,290	3,428	4,158	4,076	4,933
24.88	25.87	23.94	25.24	27.97	27.32	26.55
5.87	6.01	5.48	5.57	5.67	5.30	5.32
10,901	11,008	11,086	11,187	11,296	11,395	11,461
2,422,209	2,485,096	2,371,596	2,186,148	2,399,790	2,303,685	2,282,492
884,106,133	907,060,154	865,632,367	797,943,858	875,923,221	840,845,150	833,109,523

VILLAGE OF FRANKFORT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years April 30, 2023 (Unaudited)

Function/Program	2014	2015	2016
Police			
Stations	1	1	1
Patrol Units	16	16	16
Public Works			
Streets (Miles)	130	130	130
Streetlights	1,444	1,452	1,454
Storm Sewers (Miles)	80	80	80
Storm Inlets	2,753	2,753	2,753
Waterworks and Sewerage			
Water Mains (Miles)	208	208	208
Fire Hydrants	2,836	2,836	2,837
Sanitary Sewers (Miles)	181	181	181
Manholes	4,341	4,341	4,341

Data Source: Various Village Records

2017	2018	2019	2020	2021	2022	2023
1	1	1	1	1	1	1
16	16	19	21	23	21	21
130	130	130	130	130	130	130
1,455	1,455	1,455	1,455	1,455	1,455	1,455
80	81	81	81	81	81	81
2,753	2,765	2,765	2,765	2,765	2,766	2,767
209	209	209	209	210	210	210
2,840	2,840	2,840	2,840	2,842	2,845	2,845
182	182	182	182	182	182	182
4,351	4,351	4,351	4,351	4,351	4,351	4,351