

VILLAGE OF FRANKFORT, ILLINOIS
ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

432 W. Nebraska Street
Frankfort, IL 60423
Phone: 815.469.2177
www.frankfortil.org

VILLAGE OF FRANKFORT, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2024

Prepared by:

Robert E. Piscia
Village Administrator

Jenni Booth
Finance Director

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Principal Officials	<u>1</u>
Organizational Chart	<u>2</u>
Transmittal Letter	<u>3</u>
Certificate of Achievement for Excellence in Financial Reporting	<u>6</u>

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	<u>9</u>
-------------------------------------	--------------------------

INDEPENDENT AUDITOR'S 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>12</u>
--	---------------------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>15</u>
---	---------------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	<u>28</u>
Statement of Activities	<u>30</u>
Fund Financial Statements	
Balance Sheet - Governmental Funds	<u>32</u>
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position - Governmental Activities	<u>33</u>
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds	<u>34</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities - Governmental Activities	<u>35</u>
Statement of Net Position - Proprietary Fund	<u>36</u>
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	<u>38</u>
Statement of Cash Flows - Proprietary Fund	<u>39</u>
Statement of Fiduciary Net Position	<u>40</u>
Statement of Changes in Fiduciary Net Position	<u>41</u>
Notes to Financial Statements	<u>42</u>

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	78
Police Pension Fund	79
Schedule of Changes in the Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	81
Police Pension Fund	83
Schedule of Investment Returns	
Police Pension Fund	85
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefits Plan	87
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	89
Motor Fuel Tax - Special Revenue Fund	90

OTHER SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Budget and Actual	
General Fund	94
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Capital Development - Capital Projects Fund	97
Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual	
Waterworks and Sewerage - Enterprise Fund	98
Schedule of Changes in Fiduciary Net Position - Budget and Actual	
Police Pension - Pension Trust Fund	99

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
Illinois Environmental Protection Agency (IEPA) (L17-3468) Loan of 2011	101
Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016	102
Illinois Environmental Protection Agency (IEPA) (L17-5388) Loan of 2017	103
Illinois Environmental Protection Agency (IEPA) (L17-5408) Loan of 2019	104
Lease - Body - Worn Cameras	105
Lease - Fleet - In Car Camera	106
Lease - Interview Camera	107
Consolidated Year-End Financial Report	108

VILLAGE OF FRANKFORT, ILLINOIS

TABLE OF CONTENTS

PAGE

STATISTICAL SECTION (Unaudited)

Net Position by Component - Last Ten Fiscal Years	<u>111</u>
Change in Net Position - Last Ten Fiscal Years	<u>113</u>
Fund Balances of Governmental Funds - Last Ten Fiscal Years	<u>115</u>
Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years	<u>117</u>
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	<u>119</u>
Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years	<u>121</u>
Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago	<u>123</u>
Property Tax Levies and Collections - Last Ten Tax Levy Years	<u>124</u>
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	<u>125</u>
Schedule of Direct and Overlapping Bonded Debt	<u>126</u>
Pledged-Revenue Coverage - Last Ten Fiscal Years	<u>127</u>
Legal Debt Margin - Last Ten Fiscal Years	<u>129</u>
Demographic and Economic Statistics - Last Ten Fiscal Years	<u>131</u>
Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago	<u>132</u>
Full-Time Equivalent Village Government Employees by Function/Program Last Ten Fiscal Years	<u>133</u>
Operating Indicators by Function/Program - Last Ten Fiscal Years	<u>135</u>
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	<u>137</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, 2024

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

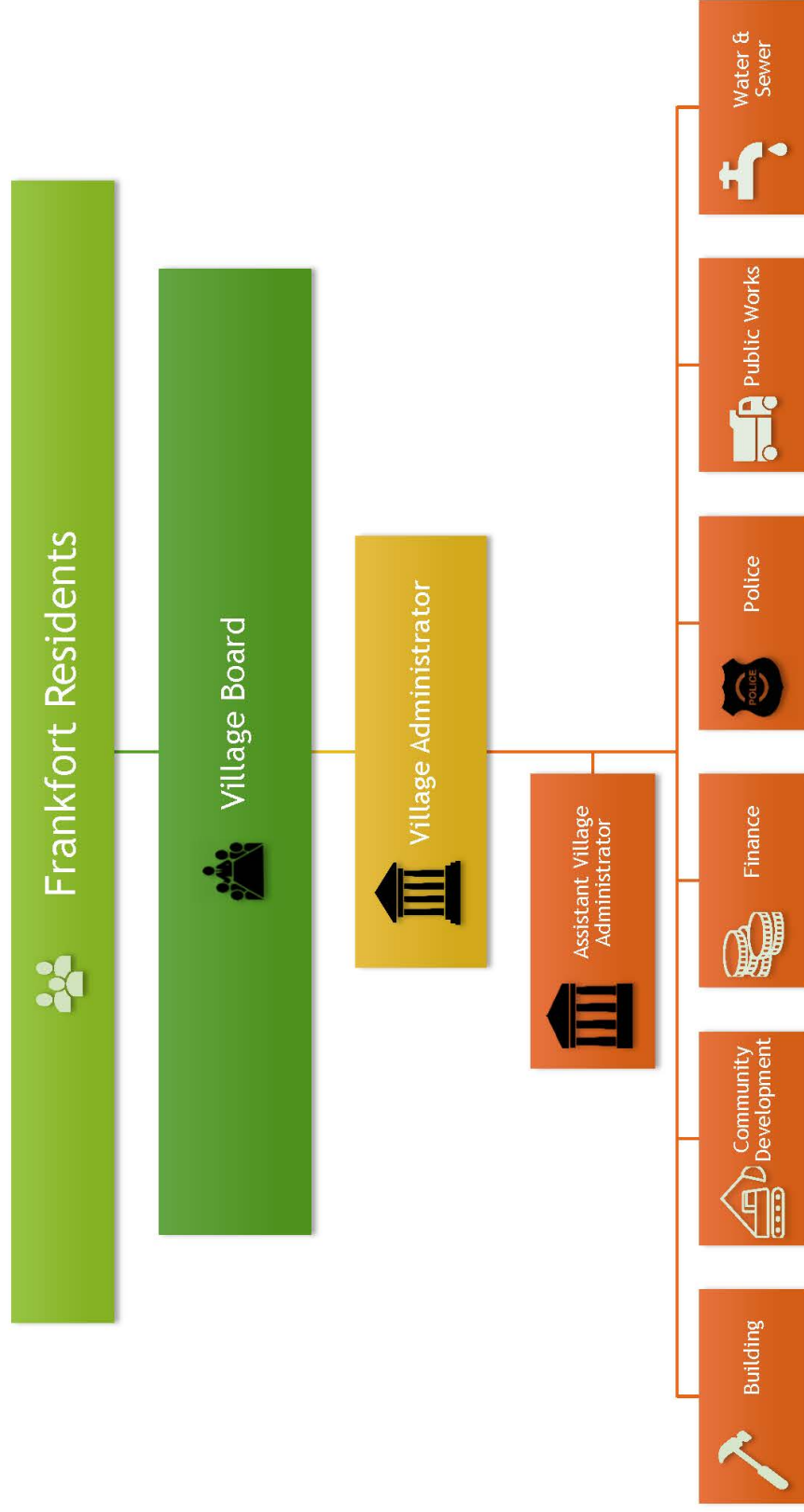
Eugene Savaria, Trustee

ADMINISTRATION

Robert E. Piscia, Village Administrator

George Mahoney, Village Attorney

VILLAGE OF FRANKFORT ORGANIZATION CHART





September 25, 2024

The Citizens of the Village of Frankfort
Illinois Honorable Mayor 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, 2024, 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, 2024. 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 Mayor and Board of Trustees. The Mayor, 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 21,519 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 such as 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. A few examples of this are the formula for shared income tax and the recent elimination of the statewide grocery 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. 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. Sales tax also remains strong due to a change in Illinois law which now enforces collections on internet sales transactions. Income tax has increased due to the local governments share of individual income tax collections increasing over the last two years. Due to better investment opportunities and favorable interest rates, investment income realized a significant increase over prior years. Water and sewer receipts continue to sufficiently support operations and capital improvements. All of these major sources of revenues continue to help support not only ongoing operating expenses but future capital needs within the Village including the street resurfacing program and water and sewer infrastructure projects. Despite the rising costs due to inflation, operating expenditures for the fiscal year came in under budgeted projections, which was a result of conservative spending by the departments.

Overall, revenues exceeded expenditures resulting in a transfer to the capital fund which will assist in supporting ongoing and future projects. Despite fears of high interest rates, high inflation, slowing growth and consumer spending, the economy has surprisingly delivered relatively strong results.

Long-term Financial Planning

The Village continues to analyze its long-term financial plan and strives to maintain healthy fund balances. Since the passing of the non-home rule sales tax measure in 2019, the Mayor and Village Board have enhanced public safety by hiring additional police officers. In addition, the Mayor and Village Board have 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. The long-term financial plan has also been effective in identifying issues needing review prior to those issues becoming critical action items.

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 construction has been completed on the Pfeiffer Road Extension Project and this new road opened shortly after the fiscal year ended. This project was partially funded with the Rebuild Illinois Bond Funds as well as funding through the Department of Commerce and Economic Opportunity.

The Village of Frankfort enters fiscal year 2025 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 Mayor and 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 Mayor 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-five consecutive years: from fiscal year 1989 to 2023.

The Village of Frankfort is herewith submitting the enclosed financial report for fiscal year ended April 30, 2024, to re-apply for another Certificate of Achievement award. Since the Certificate is valid for a period of one year, the Village will need to annually re-apply for certification. It is the goal of the Village's Mayor and Board members to annually be eligible for the Certificate of Achievement award.

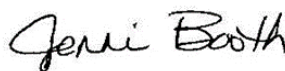
Acknowledgments

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 Mayor 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, 2023

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditor's Reports

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITOR'S REPORTS

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



INDEPENDENT AUDITOR'S REPORT

September 25, 2024

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 (the Village), Illinois, as of and for the year ended April 30, 2024, 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, each major fund, and the aggregate remaining fund information of the Village of Frankfort, Illinois, as of April 30, 2024, 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 supplementary 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 September 25, 2024, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP



**INDEPENDENT AUDITOR'S 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***

September 25, 2024

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 (the Village), Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 25, 2024.

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
September 25, 2024

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

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, 2024. 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 4.1% as a result of this fiscal year's operations. Net position of governmental activities increased by \$1,743,108 or 1.4%. Net position of business-type activities increased by \$7,723,299 or 7.2%. 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 \$240,788,103 (net position). Of this amount, \$60,882,033 (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 increased to 66.38% in fiscal year 2024 from 63.46% in fiscal year 2023.
- The Illinois Municipal Retirement Fund (IMRF) increased its plan fiduciary net position as a percentage of the total pension liability from 88.92% in fiscal year 2023 to 94.06% in fiscal year 2024.

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, 2024

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 2024. Information is presented separately in the governmental fund statement of revenues, expenditures, 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, 2024

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 \$240,788,103 from \$231,321,696, an increase of \$9,466,407.

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			
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 53,510,040	51,124,950	38,166,111	32,296,456	91,676,151	83,421,406
Capital Assets	99,554,610	98,478,625	121,778,793	122,378,665	221,333,403	220,857,290
Total Assets	153,064,650	149,603,575	159,944,904	154,675,121	313,009,554	304,278,696
Deferred Outflows	3,854,487	5,379,831	979,538	1,437,886	4,834,025	6,817,717
Total Assets/Deferred Outflows	156,919,137	154,983,406	160,924,442	156,113,007	317,843,579	311,096,413
Long-Term Debt	15,432,910	16,947,804	42,334,236	45,544,445	57,767,146	62,492,249
Other Liabilities	4,433,555	2,399,965	3,851,895	3,650,722	8,285,450	6,050,687
Total Liabilities	19,866,465	19,347,769	46,186,131	49,195,167	66,052,596	68,542,936
Deferred Inflows	10,821,443	11,147,516	181,437	84,265	11,002,880	11,231,781
Total Liabilities/Deferred	30,687,908	30,495,285	46,367,568	49,279,432	77,055,476	79,774,717
Net Position						
Net Investment in Capital Assets	99,338,027	98,478,625	77,695,781	75,676,600	177,033,808	174,155,225
Restricted	2,872,262	4,646,606	—	—	2,872,262	4,646,606
Unrestricted	24,020,940	21,362,890	36,861,093	31,156,975	60,882,033	52,519,865
Total Net Position	126,231,229	124,488,121	114,556,874	106,833,575	240,788,103	231,321,696

The chart on the next page shows the changes in net position. Overall net position increased for the year ended April 30, 2024 by \$9,466,407 and increased \$5,595,562 for the year ended April 30, 2023. Revenue increased \$4,980,177 or 11.5% and the largest increases were seen in charges for services, interest income, and miscellaneous, which included the sale of a portion of the Village's water and wastewater system. Expense increases of \$1,109,332 or 2.9% were seen in most functions except public safety and general government.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 3,902,637	3,700,165	15,196,384	13,671,320	19,099,021	17,371,485
Operating Grants/Contribution	28,755	2,786	—	—	28,755	2,786
Capital Grants/Contribution	1,729,403	989,714	500,000	122,900	2,229,403	1,112,614
General Revenues						
Property Taxes	4,413,009	4,172,073	—	—	4,413,009	4,172,073
Utility Taxes	1,582,561	1,848,877	—	—	1,582,561	1,848,877
Sales Taxes	10,998,559	10,897,282	—	—	10,998,559	10,897,282
Income Taxes	3,377,669	3,123,381	—	—	3,377,669	3,123,381
Use Taxes	766,446	832,250	—	—	766,446	832,250
Replacement Taxes	123,354	182,446	—	—	123,354	182,446
ARPA Grant	—	1,318,184	—	—	—	1,318,184
Interest Income	2,175,183	1,210,310	1,661,841	811,311	3,837,024	2,021,621
Miscellaneous	264,597	259,159	1,480,977	79,040	1,745,574	338,199
Total Revenues	29,362,173	28,536,627	18,839,202	14,684,571	48,201,375	43,221,198
Expenses						
General Government	1,235,595	1,299,535	—	—	1,235,595	1,299,535
Public Safety	8,126,571	8,273,997	—	—	8,126,571	8,273,997
Public Works	14,728,244	14,452,652	—	—	14,728,244	14,452,652
Solid Waste	1,802,376	1,674,427	—	—	1,802,376	1,674,427
Building & Community	1,726,279	1,551,558	—	—	1,726,279	1,551,558
Waterworks and Sewerage	—	—	11,115,903	10,373,467	11,115,903	10,373,467
Total Expenses	27,619,065	27,252,169	11,115,903	10,373,467	38,734,968	37,625,636
Change in Net Position	1,743,108	1,284,458	7,723,299	4,311,104	9,466,407	5,595,562
Net Position - Beginning	124,488,121	123,203,663	106,833,575	102,522,471	231,321,696	225,726,134
Net Position - Ending	126,231,229	124,488,121	114,556,874	106,833,575	240,788,103	231,321,696

- During fiscal year 2024, interest income generated the largest increase of all revenues in the amount of \$1,815,403 due to favorable interest rates and increased cash and investment balances.
- Charges for services increased \$1,727,536 or 9.9% from the prior year. The majority of this increase is due to increased water and sewer revenue due to higher consumption and increased rates.
- Miscellaneous revenue increased \$1,407,375 which is mainly due to the proceeds from the sale of a portion of the Village's water and wastewater system (Timber Ridge Estates).
- The fiscal year 2024 sales tax revenue in the amount of \$10,998,559 is \$101,277 or 0.9% higher than the fiscal year 2023 revenue. The change in Illinois law now enforces collections on internet transactions.
- The fiscal year 2024 income tax revenue in the amount of \$3,377,669 is \$254,288 or 8.1% higher than the fiscal year 2023 revenue. The local governments share of individual income tax collections has increased over the past two years.
- Property tax revenue increased \$240,936 due to the increase in the equalized assessed value of real property within the Village.

VILLAGE OF FRANKFORT, ILLINOIS

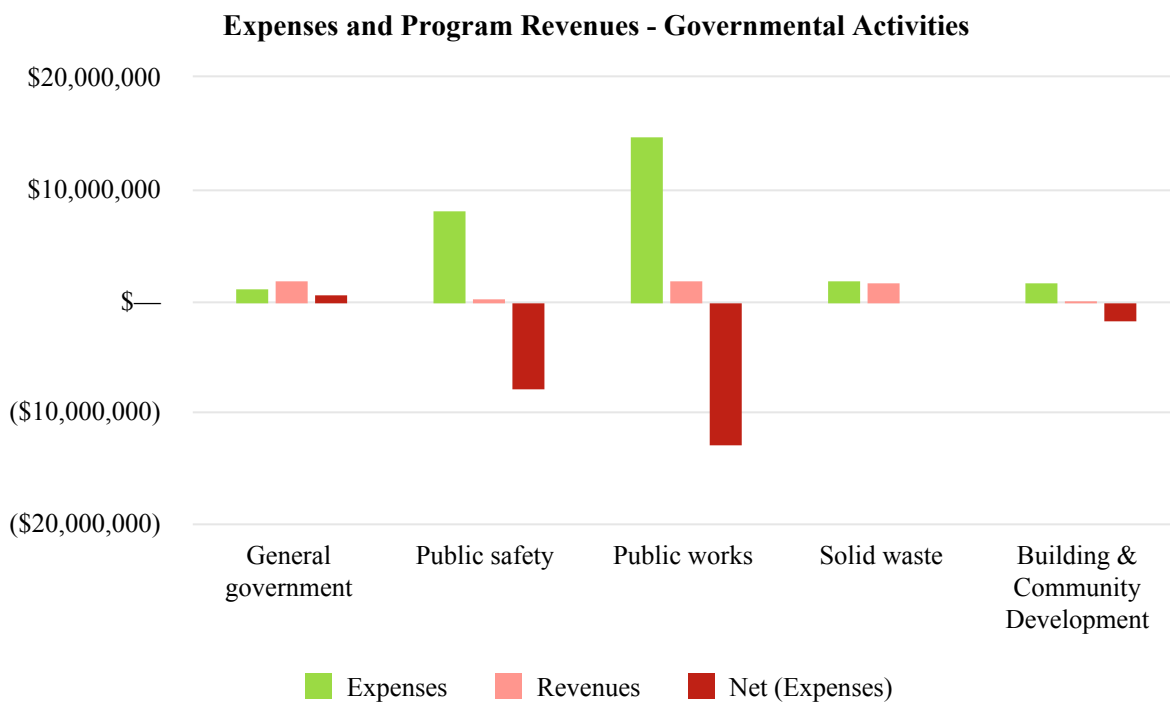
Management's Discussion and Analysis

April 30, 2024

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 73.5% 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 1.2% of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$60,882,033 or 25.3% 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	\$ 1,235,595	1,829,585	593,990
Public Safety	8,126,571	241,670	(7,884,901)
Public Works	14,728,244	1,839,748	(12,888,496)
Solid Waste	1,802,376	1,725,292	(77,084)
Building & Community Development	1,726,279	24,500	(1,701,779)



VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

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	
	2024	2023	2024	2023	2024	2023
General Government	\$ 1,235,595	1,299,535	1,829,585	1,698,316	593,990	398,781
Public Safety	8,126,571	8,273,997	241,670	292,814	(7,884,901)	(7,981,183)
Public Works	14,728,244	14,452,652	1,839,748	1,093,680	(12,888,496)	(13,358,972)
Building & Community Development	1,726,279	1,551,558	24,500	—	(1,701,779)	(1,551,558)
Solid Waste	1,802,376	1,674,427	1,725,292	1,607,855	(77,084)	(66,572)
	27,619,065	27,252,169	5,660,795	4,692,665	(21,958,270)	(22,559,504)

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:

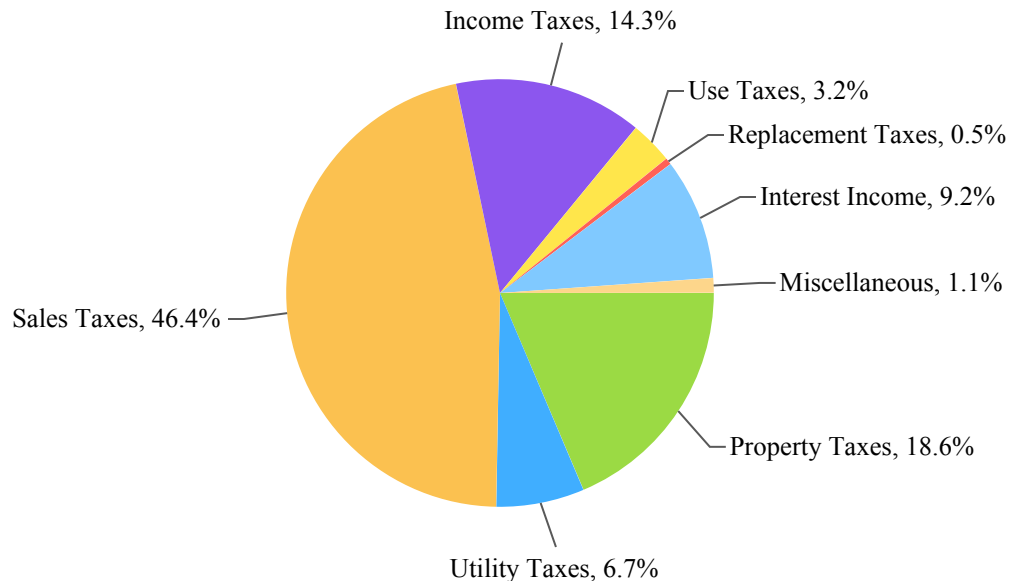
	2024	
	Amount	Percentage
Property Taxes	\$ 4,413,009	18.6%
Utility Taxes	1,582,561	6.7%
Sales Taxes	10,998,559	46.4%
Income Taxes	3,377,669	14.3%
Use Taxes	766,446	3.2%
Replacement Taxes	123,354	0.5%
Interest Income	2,175,183	9.2%
Miscellaneous	264,597	1.1%
Total	23,701,378	100.0%

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

Revenues by Source - Governmental Activities



Sales tax is one of the largest revenue sources for the Village comprising 46.4% of general governmental revenues. The second largest revenue source is property taxes collected during the year which represents 18.6% 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 0.406 to 0.394 per \$100 of equalized assessed valuation. This rate increase has been offset by the 8.3% 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 \$7,723,299. Water Sales and Sewer Fees saw an increase of \$1,348,588 or 9.91%. In addition, other income increased by \$1,401,937 mainly due to the sale of a portion of the Village's water and wastewater system (Timber Ridge Estates) and interest income increased \$850,530 due to favorable interest rates and increased cash and investments.

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.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

As of April 30, 2024, the Village of Frankfort's governmental funds reported combined ending fund balances of \$40,341,905. Approximately 17.9% of this total amount or \$7,212,263 constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remaining \$33,129,642 of the fund balance is nonspendable (\$119,144), restricted (\$2,872,262) and assigned (\$30,138,236). The nonspendable represents the Village's prepaid assets, restricted balance represents the Village's motor fuel tax fund balance and the assigned balance represents the capital development fund balance.

Revenues of the General Fund exceeded expenditures by \$9,959,119. \$9,959,119 was transferred into the Capital Development Fund to be used for future capital outlay. Property, sales, income and other tax revenues increased from the prior year as well as other revenue sources such as charges for services, licenses and permits, fines and forfeitures and interest income. At the end of the current fiscal year, the fund balance of the General Fund was \$7,246,294, of which 99.5% 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 44.6% of the total General Fund expenditures.

The Motor Fuel Tax Fund ended the year with a fund balance of \$2,872,262 which is restricted for road maintenance and construction. During the year, the fund balance of the Village of Frankfort's Motor Fuel Tax Fund decreased by \$1,774,344. Although revenue increases of \$845,043 or 75.1% were seen, expenditure increases exceeded the prior year by \$3,691,315 mainly due to the Pfeiffer Road Extension project.

The Capital Development Fund ended the year with a fund balance of \$30,223,349, all of which is assigned for future capital projects. During the year, the fund balance of the Village of Frankfort's Capital Projects Fund increased by \$2,507,748. This fund received \$9,959,119 of transferred funds based on fiscal year 2024 operating results within the General Fund.

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 \$36,861,093. The only major proprietary fund is the Waterworks and Sewerage Fund. Its net position increased by \$7,723,299. 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 \$3,858,045 as most revenue categories met or exceeded budgeted amounts. Expenditures were less than budgeted by \$2,594,974, as all expenditure functions were less than expected. These favorable results along with the budgeted operating surplus of \$3,506,100 enabled the Village to continue its policy of transferring funds to support the activity in the Capital Development Fund. In fiscal year 2024, \$9,959,119 was transferred from the General Fund to the Capital Development Fund.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

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, 2024, amounts to \$221,333,403 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, equipment, infrastructure, leased assets, and water distribution, storm, and sanitary system.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 30,898,090	30,938,656	2,580,859	2,580,859	33,478,949	33,519,515
Construction in Progress	4,063,303	182,038	1,240,013	598,878	5,303,316	780,916
Buildings and Improvements	5,395,663	5,500,466	—	—	5,395,663	5,500,466
Vehicles	1,571,288	1,492,289	491,481	254,067	2,062,769	1,746,356
Equipment	900,597	467,696	—	—	900,597	467,696
Infrastructure	56,511,619	59,897,480	—	—	56,511,619	59,897,480
Leased Assets	214,050	—	—	—	214,050	—
Water Distribution, Storm, and Sanitary System	—	—	117,466,440	118,944,861	117,466,440	118,944,861
Total	99,554,610	98,478,625	121,778,793	122,378,665	221,333,403	220,857,290

Major capital asset events during fiscal year 2024 included the following:

- On the governmental activities side, there was \$5,271,941 of capital outlay. The majority of this capital outlay was for the construction of the new Pfeiffer Road Extension which was included in construction in progress at year-end. Additional capital items included vehicles and equipment including a new street sweeper, remodeling of the Village Hall bathrooms and Police Department building renovations. Two parking lots in downtown Frankfort were also included in construction in progress at year-end.
- On the business-type activities side, there was \$3,170,924 of capital outlay. This capital outlay included water main replacements, sanitary sewer rehabilitation, and vehicles. Also progress continued on the Elsner well and treatment plant and these costs are included in construction in progress at year-end.
- Depreciation in the amount of \$4,146,414 was recorded for governmental activities' capital assets and \$3,664,464 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, 2024

Long-term debt

The Village of Frankfort has total outstanding IEPA loans of \$44,083,012, leases of \$216,583, and no outstanding general obligation bonded debt as of April 30, 2024. 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, 2024, the Village's legal debt limit of \$101,381,724 was equal to the legal debt margin.

Below is a comparative statement of outstanding debt:

Long-Term Debt Outstanding						
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
IEPA Loans	\$ —	—	44,083,012	46,702,065	44,083,012	46,702,065
Leases	216,583	—	—	—	216,583	—
	216,583	—	44,083,012	46,702,065	44,299,595	46,702,065

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 increased since last year. Sales tax increased by 0.93% or \$101,277 and income tax increased by 8.14% or \$254,288. 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. Also, the local government's share of individual income tax collections has increased. In State fiscal year 2023, the General Assembly increased the local government share from 6.06% to 6.16% of individual income tax collections and to 6.47% in state fiscal year 2024. Legislative changes, including tax law changes, are continually being monitored.

General Sales and Income Taxes for the Past 5 Fiscal Years					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Sales taxes	\$10,998,559	\$10,897,282	\$10,994,405	\$9,160,968	\$7,883,132
Income taxes	\$3,377,669	\$3,123,381	\$3,058,907	\$2,158,420	\$1,749,481

Interest income realized a significant increase over the prior year due to better investment opportunities and favorable interest rates. It is unlikely that this upward trend will continue as U.S. Federal Reserve rate cuts are expected. Short-term yields are expected to trend lower, but the Village should benefit from its longer duration investments.

VILLAGE OF FRANKFORT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

The Village invested approximately \$7 million in fiscal year 2024 to address the Village's aging streets. Various Village streets were resurfaced throughout Frankfort. An increased amount of \$10 million is projected to be spent in fiscal year 2025. Next year's budget also includes funding for the completion of the Pfeiffer Road Extension project of which a portion was covered by grant funding.

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 2024, \$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. 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.

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, IL 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, 2024

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position

April 30, 2024

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 39,630,792	35,625,607	75,256,399
Receivables - Net of Allowances	13,687,108	2,025,919	15,713,027
Due from Other Governments	72,996	500,000	572,996
Land Held for Resale	85,113	—	85,113
Prepays	34,031	14,585	48,616
Total Current Assets	53,510,040	38,166,111	91,676,151
Noncurrent Assets			
Capital Assets			
Nondepreciable/Nonamortizable	34,961,393	3,820,872	38,782,265
Depreciable/Amortizable	152,671,168	175,971,150	328,642,318
Accumulated Depreciation/Amortization	(88,077,951)	(58,013,229)	(146,091,180)
Total Capital Assets	99,554,610	121,778,793	221,333,403
Total Assets	153,064,650	159,944,904	313,009,554
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,288,039	858,042	2,146,081
Deferred Items - Police Pension	2,566,448	—	2,566,448
Deferred Items - ARO	—	121,496	121,496
Total Deferred Outflows of Resources	3,854,487	979,538	4,834,025
Total Assets and Deferred Outflows of Resources	156,919,137	160,924,442	317,843,579

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 3,364,446	878,459	4,242,905
Retainage Payable	—	66,869	66,869
Accrued Payroll	208,024	69,764	277,788
Accrued Interest	—	144,793	144,793
Deposits Payable	500,765	—	500,765
Current Portion of Long-Term Debt	360,320	2,692,010	3,052,330
Total Current Liabilities	4,433,555	3,851,895	8,285,450
Noncurrent Liabilities			
Compensated Absences Payable	458,422	110,235	568,657
Net Pension Liability - IMRF	1,011,757	673,995	1,685,752
Net Pension Liability - Police	12,701,872	—	12,701,872
Total OPEB Liability - RBP	1,096,492	—	1,096,492
Asset Retirement Obligation	—	131,445	131,445
IEPA Loans Payable	—	41,418,561	41,418,561
Leases Payable	164,367	—	164,367
Total Noncurrent Liabilities	15,432,910	42,334,236	57,767,146
Total Liabilities	19,866,465	46,186,131	66,052,596
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,603,576	—	4,603,576
Leases	4,491,324	—	4,491,324
Deferred Items - IMRF	272,362	181,437	453,799
Deferred Items - Police	1,454,181	—	1,454,181
Total Deferred Inflows of Resources	10,821,443	181,437	11,002,880
Total Liabilities and Deferred Inflows of Resources	30,687,908	46,367,568	77,055,476
NET POSITION			
Net Investment in Capital Assets	99,338,027	77,695,781	177,033,808
Restricted			
Road Construction and Maintenance	2,872,262	—	2,872,262
Unrestricted	24,020,940	36,861,093	60,882,033
Total Net Position	126,231,229	114,556,874	240,788,103

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, 2024

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 1,235,595	1,829,585	—	—
Public Safety	8,126,571	237,415	4,255	—
Public Works	14,728,244	110,345	—	1,729,403
Solid Waste	1,802,376	1,725,292	—	—
Building and Community Development	1,726,279	—	24,500	—
Total Governmental Activities	27,619,065	3,902,637	28,755	1,729,403
Business-Type Activities				
Waterworks and Sewerage	11,115,903	15,196,384	—	500,000
Total Primary Government	38,734,968	19,099,021	28,755	2,229,403

General Revenues

Taxes

Property Taxes

Utility Taxes

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Uses Taxes

Replacement Taxes

Other Taxes

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
593,990	—	593,990
(7,884,901)	—	(7,884,901)
(12,888,496)	—	(12,888,496)
(77,084)	—	(77,084)
(1,701,779)	—	(1,701,779)
(21,958,270)	—	(21,958,270)
—	4,580,481	4,580,481
(21,958,270)	4,580,481	(17,377,789)
4,413,009	—	4,413,009
1,582,561	—	1,582,561
10,998,559	—	10,998,559
3,377,669	—	3,377,669
766,446	—	766,446
123,354	—	123,354
33,813	—	33,813
2,175,183	1,661,841	3,837,024
230,784	1,480,977	1,711,761
23,701,378	3,142,818	26,844,196
1,743,108	7,723,299	9,466,407
124,488,121	106,833,575	231,321,696
126,231,229	114,556,874	240,788,103

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

VILLAGE OF FRANKFORT, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2024

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Development	Totals
ASSETS				
Cash and Investments	\$ 4,758,175	4,015,472	30,857,145	39,630,792
Receivables - Net of Allowances				
Property Taxes	4,603,575	—	—	4,603,575
Other Taxes	2,516,485	—	—	2,516,485
Accounts	1,033,315	762,178	—	1,795,493
Leases	4,632,947	—	—	4,632,947
Accrued Interest	—	—	138,608	138,608
Due from Other Governments	—	72,996	—	72,996
Land Held for Resale	—	—	85,113	85,113
Prepays	34,031	—	—	34,031
Total Assets	17,578,528	4,850,646	31,080,866	53,510,040
LIABILITIES				
Accounts Payable	681,060	1,978,384	705,002	3,364,446
Accrued Payroll	208,024	—	—	208,024
Deposits Payable	348,250	—	152,515	500,765
Total Liabilities	1,237,334	1,978,384	857,517	4,073,235
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,603,576	—	—	4,603,576
Leases	4,491,324	—	—	4,491,324
Total Deferred Inflows of Resources	9,094,900	—	—	9,094,900
Total Liabilities and Deferred Inflows of Resources	10,332,234	1,978,384	857,517	13,168,135
FUND BALANCES				
Nonspendable	34,031	—	85,113	119,144
Restricted	—	2,872,262	—	2,872,262
Assigned	—	—	30,138,236	30,138,236
Unassigned	7,212,263	—	—	7,212,263
Total Fund Balances	7,246,294	2,872,262	30,223,349	40,341,905
Total Liabilities, Deferred Inflows of Resources and Fund Balances	17,578,528	4,850,646	31,080,866	53,510,040

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, 2024

Total Governmental Fund Balances	\$ 40,341,905
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	99,554,610
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	1,015,677
Deferred Items - Police	1,112,267
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(573,027)
Net Pension Liability - IMRF	(1,011,757)
Net Pension Liability - Police	(12,701,872)
Total OPEB Liability - RBP	(1,289,991)
Leases Payable	(216,583)
Net Position of Governmental Activities	<u>126,231,229</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, 2024

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Development	Totals
Revenues				
Taxes	\$ 5,995,570	—	—	5,995,570
Intergovernmental	15,328,596	1,729,403	—	17,057,999
Charges for Services	2,427,343	—	110,345	2,537,688
Licenses and Permits	1,142,559	—	—	1,142,559
Fines and Forfeits	222,390	—	—	222,390
Interest Income	834,514	241,157	1,099,512	2,175,183
Miscellaneous	182,873	—	47,911	230,784
Total Revenues	26,133,845	1,970,560	1,257,768	29,362,173
Expenditures				
General Government	1,331,744	—	—	1,331,744
Public Safety	7,582,675	—	—	7,582,675
Public Works	3,780,795	—	—	3,780,795
Solid Waste	1,802,376	—	—	1,802,376
Building and Community Development	1,677,136	—	—	1,677,136
Capital Outlay	—	3,744,904	8,786,991	12,531,895
Total Expenditures	16,174,726	3,744,904	8,786,991	28,706,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,959,119	(1,774,344)	(7,529,223)	655,552
Other Financing Sources (Uses)				
Disposal of Capital Asset	—	—	77,852	77,852
Transfers In	—	—	9,959,119	9,959,119
Transfers Out	(9,959,119)	—	—	(9,959,119)
	(9,959,119)	—	10,036,971	77,852
Net Change in Fund Balances	—	(1,774,344)	2,507,748	733,404
Fund Balances - Beginning	7,246,294	4,646,606	27,715,601	39,608,501
Fund Balances - Ending	7,246,294	2,872,262	30,223,349	40,341,905

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

VILLAGE OF FRANKFORT, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended April 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 733,404
---	-------------------

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	5,271,941
Depreciation Expense	(4,146,414)
Disposals - Cost	(166,472)
Disposals - Accumulated Depreciation	116,930

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

Change in Deferred Items - IMRF	(813,397)
Change in Deferred Items - Police	(523,294)

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	6,154
Change in Net Pension Liability - IMRF	817,987
Change in Net Pension Liability - Police	308,600
Change in Total OPEB Liability - RBP	354,252
Change in Leases Payable	<u>(216,583)</u>

Changes in Net Position of Governmental Activities	<u>1,743,108</u>
---	-------------------------

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Net Position - Proprietary Fund

April 30, 2024

	<u>Waterworks and Sewerage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 35,625,607
Receivables - Net of Allowances	
Accounts	2,025,919
Prepays	14,585
Due from Other Governments	500,000
Total Current Assets	<u>38,166,111</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	3,820,872
Depreciable	175,971,150
Accumulated Depreciation	(58,013,229)
Total Capital Assets	<u>121,778,793</u>
Total Assets	<u>159,944,904</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	858,042
Deferred Items - ARO	121,496
Total Deferred Outflows of Resources	<u>979,538</u>
Total Assets and Deferred Outflows of Resources	<u>160,924,442</u>

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

Waterworks
and Sewerage

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 878,459
Retainage Payable	66,869
Accrued Payroll	69,764
Accrued Interest	144,793
Current Portion of Long-Term Debt	2,692,010
Total Current Liabilities	<u>3,851,895</u>
Noncurrent Liabilities	
Compensated Absences Payable	110,235
Net Pension Liability - IMRF	673,995
IEPA Loans Payable	41,418,561
Asset Retirement Obligation	131,445
Total Noncurrent Liabilities	<u>42,334,236</u>
Total Liabilities	<u>46,186,131</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	<u>181,437</u>
Total Liabilities and Deferred Inflows of Resources	<u>46,367,568</u>

NET POSITION

Net Investment in Capital Assets	77,695,781
Unrestricted	<u>36,861,093</u>
Total Net Position	<u><u>114,556,874</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, 2024

	<u>Waterworks and Sewerage</u>
Operating Revenues	
Charges for Services	\$ 15,196,384
Operating Expenses	
Personnel	3,015,279
Contractual Services	2,407,294
Commodities	836,017
Capital Improvements	386,769
Depreciation and Amortization	3,667,781
Total Operating Expenses	<u>10,313,140</u>
Operating Income	<u>4,883,244</u>
Nonoperating Revenues (Expenses)	
Other Income	1,480,977
Interest Income	1,661,841
Interest Expense	<u>(802,763)</u>
	<u>2,340,055</u>
Income Before Capital Grants	7,223,299
Capital Grants	<u>500,000</u>
Change in Net Position	7,723,299
Net Position - Beginning	<u>106,833,575</u>
Net Position - Ending	<u><u>114,556,874</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, 2024

	<u>Waterworks and Sewerage</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 16,187,780
Payments to Employees	(2,192,048)
Payments to Suppliers	(4,746,122)
	<u>9,249,610</u>
Cash Flows from Capital and Related Financing Activities	
Capital Grants	500,000
Purchase of Capital Assets	(3,170,924)
Disposal of Capital Assets	106,332
Payment on Loan Principal	(2,619,053)
Interest Payments	(802,763)
	<u>(5,986,408)</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,661,841</u>
Net Change in Cash and Cash Equivalents	4,925,043
Cash and Cash Equivalents	
Beginning	<u>30,700,564</u>
Ending	<u><u>35,625,607</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income	4,883,244
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	3,667,781
Other Income	1,480,977
(Increase) Decrease in Current Assets	(489,581)
Increase (Decrease) in Current Liabilities	(292,811)
	<u>(292,811)</u>
Net Cash Provided by Operating Activities	<u><u>9,249,610</u></u>

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Fiduciary Net Position - Pension Trust Fund
April 30, 2024

	Pension Trust Police Pension
ASSETS	
Cash and Cash Equivalents	\$ 156,397
Investments	
Illinois Police Officers' Pension Investment Fund	24,919,806
Mutual Funds	389
Prepays	6,712
Total Assets	25,083,304
LIABILITIES	
Accounts Payable	780
NET POSITION	
Restricted for Pensions	25,082,524

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

VILLAGE OF FRANKFORT, ILLINOIS

Statement of Changes in Fiduciary Net Position - Pension Trust Fund For the Fiscal Year Ended April 30, 2024

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 1,397,866
Contributions - Plan Members	316,039
Total Contributions	1,713,905
Investment Income	
Interest Earned	1,731
Net Change in Fair Value	2,198,301
	2,200,032
Less Investment Expenses	(13,096)
Net Investment Income (Loss)	2,186,936
Total Additions	3,900,841
Deductions	
Administration	34,728
Benefits and Refunds	1,381,570
Total Deductions	1,416,298
Change in Fiduciary Net Position	2,484,543
Net Position Restricted for Pensions	
Beginning	22,597,981
Ending	25,082,524

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

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Frankfort (the Village), Illinois, founded in 1855, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police protection, crime prevention, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services, parking system services, and general administrative services.

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

REPORTING ENTITY

The Village is a municipal corporation governed by an elected mayor and six-member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there is one fiduciary component unit that is required to be included in the financial statements of the Village as pension trust fund and there are no discretely component units to include 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 five-member pension board. Two members appointed by the Village Mayor, 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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.

Prepays - Land Held for Resale

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Assets - Continued

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

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

Buildings and Improvements	5 - 100 Years
Vehicles	5 - 15 Years
Equipment	5 - 15 Years
Infrastructure	20 - 50 Years
Leased Assets	5 - 15 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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Long-Term Obligations - Continued

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

Net Position

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

BUDGETARY INFORMATION - Continued

- 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, 2023 to April 30, 2024 was adopted through the passage of ordinance number 3408 on July 10, 2023.
- The Village Administrator is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Village Board.
- Budgets are adopted on the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for enterprise and fiduciary funds. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund. Appropriations lapse at the end of the fiscal year.
- Budgeted amounts are as originally adopted by the Village Board.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the 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.

The Illinois Trust was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust are valued at the share price, the price for which the investment could be sold.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$8,942,943 and the bank balances totaled \$9,134,414. The Village also has \$47,571,732 invested in the Illinois Funds, \$8,627,370 invested in IMET, and \$10,114,354 invested in the Illinois Trust. Illinois Funds, IMET, and the Illinois Trust 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 Village's investment in the Illinois Funds and the Illinois Trust have average maturities 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 AAmmf by Fitch. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated AAAf/bf by Moody's. The Village's investment in the Illinois Trust was rated AAAM by Standard & Poor's.

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

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, IMET, and the Illinois Trust 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).

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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.

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 \$156,397 and the bank balances totaled \$161,727.

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 \$24,919,806 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 \$389 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, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.54%. 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 2023 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, 2024

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 \$358,956 of lease revenue.

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

Fiscal Year	Principal	Interest
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>4,632,947</u>	<u>1,308,224</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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/Nonamortizable Capital Assets				
Land	\$ 30,938,656	—	40,566	30,898,090
Construction in Progress	182,038	3,881,265	—	4,063,303
	<u>31,120,694</u>	<u>3,881,265</u>	<u>40,566</u>	<u>34,961,393</u>
Depreciable/Amortizable Capital Assets				
Buildings and Improvements	9,162,913	137,899	—	9,300,812
Vehicles	4,372,069	403,908	107,506	4,668,471
Equipment	2,311,839	581,306	18,400	2,874,745
Infrastructure	135,559,577	—	—	135,559,577
Leased Assets	—	267,563	—	267,563
	<u>151,406,398</u>	<u>1,390,676</u>	<u>125,906</u>	<u>152,671,168</u>
Less Accumulated Depreciation/Amortization				
Buildings and Improvements	3,662,447	242,702	—	3,905,149
Vehicles	2,879,780	315,933	98,530	3,097,183
Equipment	1,844,143	148,405	18,400	1,974,148
Infrastructure	75,662,097	3,385,861	—	79,047,958
Leased Assets	—	53,513	—	53,513
	<u>84,048,467</u>	<u>4,146,414</u>	<u>116,930</u>	<u>88,077,951</u>
Total Net Depreciable/Amortizable Capital Assets	<u>67,357,931</u>	<u>(2,755,738)</u>	<u>8,976</u>	<u>64,593,217</u>
Total Net Capital Assets	<u>98,478,625</u>	<u>1,125,527</u>	<u>49,542</u>	<u>99,554,610</u>

Depreciation/amortization expense was charged to governmental activities as follows:

General Government	\$ 119,932
Public Safety	279,903
Public Works	3,697,436
Building and Community Development	<u>49,143</u>
	<u>4,146,414</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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	598,878	729,235	88,100	1,240,013
	<u>3,179,737</u>	<u>729,235</u>	<u>88,100</u>	<u>3,820,872</u>
Depreciable Capital Assets				
Vehicles	1,926,147	315,044	28,709	2,212,482
Water Distribution, Storm, and Sanitary System	172,011,893	2,214,745	467,970	173,758,668
	<u>173,938,040</u>	<u>2,529,789</u>	<u>496,679</u>	<u>175,971,150</u>
Less Accumulated Depreciation				
Vehicles	1,672,080	77,630	28,709	1,721,001
Water Distribution, Storm, and Sanitary System	53,067,032	3,586,834	361,638	56,292,228
	<u>54,739,112</u>	<u>3,664,464</u>	<u>390,347</u>	<u>58,013,229</u>
Total Net Depreciable Capital Assets	<u>119,198,928</u>	<u>(1,134,675)</u>	<u>106,332</u>	<u>117,957,921</u>
Total Net Capital Assets	<u>122,378,665</u>	<u>(405,440)</u>	<u>194,432</u>	<u>121,778,793</u>

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

Waterworks and Sewerage	<u>\$ 3,664,464</u>
-------------------------	---------------------

INTERFUND TRANSFERS

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

Transfer In	Transfer Out	Amount
Capital Development	General	<u>\$ 9,959,119</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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	\$ 772,053	—	96,506	675,547
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	8,663,818	—	547,153	8,116,665
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	30,414,237	—	1,661,364	28,752,873
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	6,851,957	—	314,030	6,537,927
		46,702,065	—	2,619,053	44,083,012

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Leases Payable

The Village has the following leases payable outstanding at year-end:

Lease	Term Length	Start Date	Payments	Interest Rate
Body-Worn Cameras	48 months	January 31, 2024	\$22,408 per year	2.280%
Fleet In-Car Cameras	48 months	April 30, 2024	\$24,765 per year	2.620%
Interview Cameras	48 months	March 30, 2024	\$10,295 per year	2.280%

Long-Term Liabilities Activity

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, the total OPEB liability, and the leases payable. For business-type activities, the Waterworks and Sewerage Fund makes payments on the compensated absences, the net pension liability, 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	\$ 579,181	6,154	12,308	573,027	114,605
Net Pension Liability - IMRF	1,829,744	—	817,987	1,011,757	—
Net Pension Liability - Police Pension	13,010,472	—	308,600	12,701,872	—
Total OPEB Liability - RBP	1,644,243	—	354,252	1,289,991	193,499
Leases Payable	—	267,563	50,980	216,583	52,216
	17,063,640	273,717	1,544,127	15,793,230	360,320
Business-Type Activities					
Compensated Absences	125,912	23,764	11,882	137,794	27,559
Net Pension Liability - IMRF	1,229,258	—	555,263	673,995	—
Asset Retirement Obligation	131,445	—	—	131,445	—
IEPA Loans Payable	46,702,065	—	2,619,053	44,083,012	2,664,451
	48,188,680	23,764	3,186,198	45,026,246	2,692,010

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

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."

Assessed Valuation - 2022	<u>\$ 1,175,440,282</u>
Legal Debt Limit - 8.625% of Assessed Value	101,381,724
Amount of Debt Applicable to Limit	<u>—</u>
Legal Debt Margin	<u>101,381,724</u>

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental -Type Activities		Business-Type Activities	
	Leases		IEPA	
	Payable		Loans Payable	
	Principal	Interest		Interest
2025	\$ 52,216	5,252	2,664,451	765,868
2026	53,482	3,986	2,710,667	719,652
2027	54,778	2,690	2,757,715	672,604
2028	56,107	1,361	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	216,583	13,289	44,083,012	6,284,866

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 99,554,610
Less Capital Related Debt:	
Leases Payable	<u>(216,583)</u>
Net Investment in Capital Assets	<u>99,338,027</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	121,778,793
Less Capital Related Debt:	
Illinois Environmental Protection Agency (IEPA) (L17-3468) Loan of 2011	(675,547)
Illinois Environmental Protection Agency (IEPA) (L17-5363) Loan of 2016	(8,116,665)
Illinois Environmental Protection Agency (IEPA) (L17-5388) Loan of 2017	(28,752,873)
Illinois Environmental Protection Agency (IEPA) (L17-5408) Loan of 2019	<u>(6,537,927)</u>
Net Investment in Capital Assets	<u>77,695,781</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, 2024

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				
Nonspendable	\$ 34,031	—	85,113	119,144
Restricted				
Motor Fuel Taxes				
Road Construction and Maintenance	—	2,872,262	—	2,872,262
Assigned				
Capital Projects	—	—	30,138,236	30,138,236
Unassigned	7,212,263	—	—	7,212,263
Total Fund Balances	7,246,294	2,872,262	30,223,349	40,341,905

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, 2024

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

From time to time, the Village is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

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 \$456,704 to the Center for the year ended April 30, 2024, which is recorded in the Village's General Fund.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. 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. A separate report is issued for the Police Pension Plan and may be obtained by writing to Village of Frankfort at 432 W. Nebraska Street, Frankfort, IL 60423. The aggregate amounts recognized for the two pension plans are:

	Pension Expense/ (Revenue)	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows
IMRF	\$ 412,100	1,685,752	2,146,081	(453,799)
Police Pension	1,612,560	12,701,872	2,566,448	(1,454,181)
	2,024,660	14,387,624	4,712,529	(1,907,980)

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, 2024

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

Inactive Plan Members Currently Receiving Benefits	66
Inactive Plan Members Entitled to but not yet Receiving Benefits	75
Active Plan Members	<u>73</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, 2024, the Village's contribution was 7.72% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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, 2023, 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 non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

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	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) 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/(Asset)	\$ 5,277,046	1,685,752	(1,109,112)

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 27,607,336	24,548,334	3,059,002
Changes for the Year:			
Service Cost	484,198	—	484,198
Interest on the Total Pension Liability	1,976,142	—	1,976,142
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(497,710)	—	(497,710)
Changes of Assumptions	(10,337)	—	(10,337)
Contributions - Employer	—	411,257	(411,257)
Contributions - Employees	—	238,487	(238,487)
Net Investment Income	—	2,710,295	(2,710,295)
Benefit Payments, Including Refunds of Employee Contributions	(1,184,616)	(1,184,616)	—
Other (Net Transfer)	—	(34,496)	34,496
Net Changes	767,677	2,140,927	(1,373,250)
Balances at December 31, 2023	28,375,013	26,689,261	1,685,752

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

For the year ended April 30, 2024, the Village recognized pension expense of \$412,100. At April 30, 2024, 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, 2024

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	\$ 745,366	(409,318)	336,048
Change in Assumptions	—	(44,481)	(44,481)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,259,840	—	1,259,840
Total Expenses to be Recognized in Future Periods	2,005,206	(453,799)	1,551,407
Pension Contributions Made Subsequent to the Measurement Date	140,875	—	140,875
Total Deferred Amounts Related to IMRF	2,146,081	(453,799)	1,692,282

\$140,875 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, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 337,029
2026	617,416
2027	787,198
2028	(190,236)
2029	—
Thereafter	—
Total	1,551,407

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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, 2024, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	17
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>31</u>
Total	<u><u>55</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, 2024

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, 2024, the Village's contribution was 43.71% 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, 2024

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, 2024, 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, 2024

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	\$ 18,943,046	12,701,872	7,679,452

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2023	\$ 35,608,453	22,597,981	13,010,472
Changes for the Year:			
Service Cost	794,799	—	794,799
Interest on the Total Pension Liability	2,375,658	—	2,375,658
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	387,056	—	387,056
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,397,866	(1,397,866)
Contributions - Employees	—	316,039	(316,039)
Net Investment Income	—	2,186,936	(2,186,936)
Benefit Payments, Including Refunds of Employee Contributions	(1,381,570)	(1,381,570)	—
Other (Net Transfer)	—	(34,728)	34,728
Net Changes	2,175,943	2,484,543	(308,600)
Balances at April 30, 2024	37,784,396	25,082,524	12,701,872

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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, 2024, the Village recognized pension expense of \$1,612,560. At April 30, 2024, 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	\$ 1,549,094	(1,347,025)	202,069
Change in Assumptions	719,780	(107,156)	612,624
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	297,574	—	297,574
Total Deferred Amounts Related to Police Pension	2,566,448	(1,454,181)	1,112,267

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
2025	\$ 99,639
2026	684,312
2027	213,355
2028	4,524
2029	102,353
Thereafter	8,084
Total	1,112,267

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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 May 1, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>91</u>
Total	<u><u>92</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of May 1, 2024, and was determined by an actuarial valuation as of May 1, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the April 30, 2024 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	4.07%
Healthcare Cost Trend Rates	High Deductible PPO: 7.5% for 2024, decreasing to an ultimate rate of 5.0% for 2034 and later years/Standard PPO: 6.8% for 2024, decreasing to an ultimate rate of 5.0% for 2034 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, 2024

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, 2023	<u>\$ 1,644,243</u>
Changes for the Year:	
Service Cost	41,448
Interest on the Total OPEB Liability	57,666
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(424,701)
Changes of Assumptions or Other Inputs	(7,389)
Benefit Payments	<u>(21,276)</u>
Net Changes	<u>(354,252)</u>
Balance at April 30, 2024	<u><u>1,289,991</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 4.07%, and the prior year rate was 3.53%, 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 (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
Total OPEB Liability	\$ 1,415,694	1,289,991	1,177,892

VILLAGE OF FRANKFORT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

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	\$ 1,132,197	1,289,991	1,478,371

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

For the year ended April 30, 2024, the Village recognized OPEB income of \$332,976. 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.

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/(Asset)
 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, 2024

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%
2024	419,750	419,750	—	5,437,316	7.72%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
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, 2024

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%
2024	1,401,329	1,397,866	(3,463)	3,198,384	43.71%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 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

VILLAGE OF FRANKFORT, ILLINOIS

Illinois Municipal Retirement Fund

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

April 30, 2024

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Illinois Municipal Retirement Fund

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

April 30, 2024

	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	12/31/2023
435,318	378,191	396,535	436,203	412,877	467,267	484,198
1,455,720	1,454,995	1,551,501	1,653,860	1,690,142	1,826,885	1,976,142
—	—	—	—	—	—	—
(490,892)	357,407	326,097	(319,219)	841,129	912,322	(497,710)
(635,480)	632,595	—	(285,495)	—	—	(10,337)
(687,406)	(804,145)	(860,400)	(903,858)	(1,042,632)	(1,127,831)	(1,184,616)
77,260	2,019,043	1,413,733	581,491	1,901,516	2,078,643	767,677
19,535,650	19,612,910	21,631,953	23,045,686	23,627,177	25,528,693	27,607,336
19,612,910	21,631,953	23,045,686	23,627,177	25,528,693	27,607,336	28,375,013
498,325	479,348	414,298	476,761	515,700	414,119	411,257
175,467	177,409	190,046	193,714	213,242	222,911	238,487
2,806,196	(974,073)	3,400,323	3,010,505	4,000,872	(3,347,655)	2,710,295
(687,406)	(804,145)	(860,400)	(903,858)	(1,042,632)	(1,127,831)	(1,184,616)
(235,958)	696,439	(64,013)	81,121	(85,359)	602,601	(34,496)
2,556,624	(425,022)	3,080,254	2,858,243	3,601,823	(3,235,855)	2,140,927
16,112,267	18,668,891	18,243,869	21,324,123	24,182,366	27,784,189	24,548,334
18,668,891	18,243,869	21,324,123	24,182,366	27,784,189	24,548,334	26,689,261
944,019	3,388,084	1,721,563	(555,189)	(2,255,496)	3,059,002	1,685,752
95.19%	84.34%	92.53%	102.35%	108.84%	88.92%	94.06%
3,899,260	3,942,410	4,223,221	4,287,418	4,722,529	4,953,572	5,299,703
24.21%	85.94%	40.76%	(12.95%)	(47.76%)	61.75%	31.81%

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2024

	4/30/2015	4/30/2016	4/30/2017
Total Pension Liability			
Service Cost	\$ 517,324	515,213	549,990
Interest	1,343,788	1,384,020	1,491,865
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	—	429,395	(808,914)
Change of Assumptions	—	(104,277)	—
Benefit Payments, Including Refunds of Member Contributions	(531,926)	(576,191)	(624,992)
Net Change in Total Pension Liability	1,329,186	1,648,160	607,949
Total Pension Liability - Beginning	19,462,914	20,792,100	22,440,260
Total Pension Liability - Ending	20,792,100	22,440,260	23,048,209
Plan Fiduciary Net Position			
Contributions - Employer	\$ 774,820	836,569	890,526
Contributions - Members	228,686	253,766	248,346
Net Investment Income	678,031	(171,522)	975,546
Benefit Payments, Including Refunds of Member Contributions	(531,926)	(576,191)	(624,992)
Administrative Expenses	(29,442)	(27,663)	(30,859)
Net Change in Plan Fiduciary Net Position	1,120,169	314,959	1,458,567
Plan Net Position - Beginning	9,462,258	10,582,427	10,897,386
Plan Net Position - Ending	10,582,427	10,897,386	12,355,953
Employer's Net Pension Liability	\$ 10,209,673	11,542,874	10,692,256
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.90%	48.56%	53.61%
Covered Payroll	\$ 2,252,880	2,524,246	2,442,326
Employer's Net Pension Liability as a Percentage of Covered Payroll	453.18%	457.28%	437.79%

4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
587,114	663,841	651,007	907,869	857,836	825,185	794,799
1,533,546	1,654,139	1,807,275	1,924,035	2,038,105	2,234,922	2,375,658
—	—	86,689	—	—	(19,832)	—
(140,737)	513,086	(658,085)	877,869	(1,530,438)	797,072	387,056
570,324	127,761	1,195,300	(178,874)	148,119	—	—
(658,048)	(742,151)	(765,288)	(792,711)	(906,293)	(1,048,393)	(1,381,570)
1,892,199	2,216,676	2,316,898	2,738,188	607,329	2,788,954	2,175,943
23,048,209	24,940,408	27,157,084	29,473,982	32,212,170	32,819,499	35,608,453
24,940,408	27,157,084	29,473,982	32,212,170	32,819,499	35,608,453	37,784,396
981,772	1,043,322	1,111,866	1,205,010	1,486,404	1,469,028	1,397,866
254,053	262,115	301,404	355,140	335,849	339,445	316,039
753,770	992,364	222,933	4,573,530	(733,754)	427,815	2,186,936
(658,048)	(742,151)	(765,288)	(792,711)	(906,293)	(1,048,393)	(1,381,570)
(29,519)	(38,666)	(50,278)	(36,630)	(37,632)	(34,429)	(34,728)
1,302,028	1,516,984	820,637	5,304,339	144,574	1,153,466	2,484,543
12,355,953	13,657,981	15,174,965	15,995,602	21,299,941	21,444,515	22,597,981
13,657,981	15,174,965	15,995,602	21,299,941	21,444,515	22,597,981	25,082,524
11,282,427	11,982,119	13,478,380	10,912,229	11,374,984	13,010,472	12,701,872
54.76%	55.88%	54.27%	66.12%	65.34%	63.46%	66.38%
2,521,702	2,696,284	3,041,411	3,228,811	3,210,350	3,425,279	3,198,394
447.41%	444.39%	443.16%	337.96%	354.32%	379.84%	397.13%

VILLAGE OF FRANKFORT, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2024

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%
2024	9.54%

VILLAGE OF FRANKFORT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2024

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2024

	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 - 2024.

4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
36,522	46,558	49,709	44,147	41,448
61,147	50,194	47,181	52,468	57,666
—	—	—	—	—
348,756	—	(229,168)	—	(424,701)
301,100	70,961	(280,870)	(79,185)	(7,389)
(48,929)	(53,887)	(46,122)	(15,428)	(21,276)
698,596	113,826	(459,270)	2,002	(354,252)
1,289,089	1,987,685	2,101,511	1,642,241	1,644,243
1,987,685	2,101,511	1,642,241	1,644,243	1,289,991
7,242,708	7,808,895	8,054,712	8,505,549	7,944,877
27.44%	26.91%	20.39%	19.33%	16.24%

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, 2024

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 4,201,700	4,201,700	4,413,009
Utility Taxes	1,600,000	1,600,000	1,582,561
Intergovernmental			
Sales Taxes	10,000,000	10,000,000	10,998,559
Income Taxes	2,200,000	2,200,000	3,377,669
Use Taxes	650,000	650,000	766,446
Replacement	75,000	75,000	123,354
Other Taxes	31,500	31,500	33,813
Grants	10,000	10,000	28,755
Charges for Services	2,225,500	2,225,500	2,427,343
Licenses and Permits	985,200	985,200	1,142,559
Fines and Forfeits	142,000	142,000	222,390
Interest Income	50,000	50,000	834,514
Miscellaneous	104,900	104,900	182,873
Total Revenues	22,275,800	22,275,800	26,133,845
Expenditures			
General Government	1,655,700	1,655,700	1,331,744
Public Safety	9,074,600	9,074,600	7,582,675
Public Works	4,191,900	4,191,900	3,780,795
Solid Waste	1,873,000	1,873,000	1,802,376
Building and Community Development	1,974,500	1,974,500	1,677,136
Total Expenditures	18,769,700	18,769,700	16,174,726
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	3,506,100	3,506,100	9,959,119
Other Financing (Uses)			
Transfers Out	—	—	(9,959,119)
Net Change in Fund Balance	3,506,100	3,506,100	—
Fund Balance - Beginning			7,246,294
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, 2024

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 725,000	725,000	967,225
Grants	840,000	840,000	762,178
Interest Income	1,000	1,000	241,157
Total Revenues	1,566,000	1,566,000	1,970,560
Expenditures			
Capital Outlay	4,136,000	4,136,000	3,744,904
Net Change in Fund Balance	(2,570,000)	(2,570,000)	(1,774,344)
Fund Balance - Beginning			4,646,606
Fund Balance - Ending			2,872,262

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, 2024

	Budget		Actual
	Original	Final	
General Government			
Office of the Mayor			
Personnel	\$ 54,100	54,100	51,728
Professional Fees	80,000	80,000	52,275
Communication	20,500	20,500	3,841
Professional Development	109,000	109,000	82,213
Contractual Services	10,000	10,000	10,000
Supplies	500	500	76
Administration			
Personnel	587,700	587,700	556,815
Maintenance	7,500	7,500	4,239
Professional Fees	17,500	17,500	300
Communication	23,500	23,500	13,903
Professional Development	93,200	93,200	90,499
Contractual Services	24,500	24,500	15,612
Supplies	55,700	55,700	31,871
Civil Defense			
Maintenance	8,000	8,000	1,050
Finance			
Personnel	398,600	398,600	350,106
Maintenance	1,000	1,000	209
Professional Fees	45,500	45,500	21,316
Communication	3,000	3,000	1,821
Professional Development	7,000	7,000	1,772
Contractual Services	34,400	34,400	16,666
Supplies	74,500	74,500	25,432
Total General Government	1,655,700	1,655,700	1,331,744
Public Safety			
Police Protections			
Personnel	7,575,900	7,575,900	6,471,227
Maintenance	78,000	78,000	56,959
Professional Fees	152,000	152,000	136,601
Communication	490,000	490,000	467,170
Professional Development	92,700	92,700	55,934
Contractual Services	158,500	158,500	90,514
Supplies	510,500	510,500	276,502

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2024

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police/Fire Commission			
Personnel	\$ 14,600	14,600	26,130
Professional Fees	1,000	1,000	1,238
Professional Development	900	900	400
Supplies	500	500	—
Total Public Safety	9,074,600	9,074,600	7,582,675
Public Works			
Street and Bridge			
Personnel	2,143,500	2,143,500	2,025,283
Maintenance	1,394,500	1,394,500	1,216,381
Professional Fees	49,500	49,500	25,157
Communication	9,500	9,500	9,559
Professional Development	11,000	11,000	5,136
Contractual Services	355,400	355,400	319,813
Supplies	228,500	228,500	179,466
Total Public Works	4,191,900	4,191,900	3,780,795
Solid Waste			
Garbage Disposal			
Contractual Services	1,873,000	1,873,000	1,802,376
Building and Community Development			
Building			
Personnel	802,000	802,000	720,851
Maintenance	27,000	27,000	3,832
Professional Fees	165,500	165,500	208,073
Communication	6,300	6,300	3,321
Professional Development	9,400	9,400	4,533
Contractual Services	27,000	27,000	10,814
Supplies	87,500	87,500	48,992

VILLAGE OF FRANKFORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2024

	Budget		Actual
	Original	Final	
Building and Community Development - Continued			
Community Development			
Personnel	\$ 513,600	513,600	390,193
Maintenance	5,700	5,700	9,779
Professional Fees	250,000	250,000	226,758
Communication	6,200	6,200	4,726
Professional Development	9,800	9,800	2,500
Contractual Services	12,500	12,500	6,766
Supplies	52,000	52,000	35,998
Total Building and Community Development	1,974,500	1,974,500	1,677,136
Total Expenditures	18,769,700	18,769,700	16,174,726

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, 2024

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	200,000	200,000	—
Charges for Services	135,000	135,000	110,345
Interest Income	50,000	50,000	1,099,512
Miscellaneous	8,000	8,000	47,911
Total Revenues	393,000	393,000	1,257,768
Expenditures			
Public Works			
Professional Services	35,000	35,000	—
Capital Outlay	12,267,100	12,267,100	8,786,991
Total Expenditures	12,302,100	12,302,100	8,786,991
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,909,100)	(11,909,100)	(7,529,223)
Other Financing Sources			
Disposal of Capital Assets	10,200	10,200	77,852
Transfers In	—	—	9,959,119
	10,200	10,200	10,036,971
Net Change in Fund Balance	(11,898,900)	(11,898,900)	2,507,748
Fund Balance - Beginning			27,715,601
Fund Balance - Ending			30,223,349

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, 2024

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales and Sewer Fees	\$ 13,850,000	13,850,000	14,959,757
Sale of Water Meters	45,000	45,000	39,861
Miscellaneous	14,500	14,500	196,766
Total Operating Revenues	13,909,500	13,909,500	15,196,384
Operating Expenses			
Personnel	3,253,200	3,253,200	3,015,279
Contractual Services	3,099,600	3,099,600	2,407,294
Commodities	1,055,500	1,055,500	836,017
Capital Improvements	9,150,500	9,150,500	386,769
Depreciation and Amortization	—	—	3,667,781
Total Operating Expenses	16,558,800	16,558,800	10,313,140
Operating Income (Loss)	(2,649,300)	(2,649,300)	4,883,244
Nonoperating Revenues (Expenses)			
Other Income	1,415,000	1,415,000	1,480,977
Interest Income	100,000	100,000	1,661,841
Principal Retirement	(2,619,053)	(2,619,053)	—
Interest Expense	(880,947)	(880,947)	(802,763)
	(1,985,000)	(1,985,000)	2,340,055
Income (Loss) Before Capital Grant	(4,634,300)	(4,634,300)	7,223,299
Capital Grant	—	—	500,000
Change in Net Position	(4,634,300)	(4,634,300)	7,723,299
Net Position - Beginning			106,833,575
Net Position - Ending			114,556,874

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, 2024

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,401,400	1,401,400	1,397,866
Contributions - Plan Members	325,000	325,000	316,039
Total Contributions	1,726,400	1,726,400	1,713,905
Investment Income			
Interest Earned	250,000	250,000	1,731
Net Change in Fair Value	—	—	2,198,301
	250,000	250,000	2,200,032
Less Investment Expenses	—	—	(13,096)
Net Investment Income (Loss)	250,000	250,000	2,186,936
Total Additions	1,976,400	1,976,400	3,900,841
Deductions			
Administration	117,000	117,000	34,728
Benefits and Refunds	1,350,000	1,350,000	1,381,570
Total Deductions	1,467,000	1,467,000	1,416,298
Change in Fiduciary Net Position	509,400	509,400	2,484,543
Net Position Restricted for Pensions			
Beginning			22,597,981
Ending			25,082,524

SUPPLEMENTAL SCHEDULES

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

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

April 30, 2024

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
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
	675,547	—	675,547

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

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

April 30, 2024

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
Principal Maturity Dates	May 25 and November 25
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
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
	8,116,665	1,058,319	9,174,984

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

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

April 30, 2024

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
Principal Maturity Dates	April 8 and October 8
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
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
	28,752,873	4,087,782	32,840,655

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

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

April 30, 2024

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
Principal Maturity Dates	May 30 and November 30
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
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
	6,537,927	1,138,765	7,676,692

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

Lease - Body-Worn Cameras

April 30, 2024

Date of Issue	January 31, 2024
Date of Maturity	January 31, 2028
Authorized Issue	\$104,758
Interest Rate	2.28%
Interest Date	January 31
Payable at	Axon Enterprise, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 20,474	1,934	22,408
2026	20,941	1,467	22,408
2027	21,419	989	22,408
2028	21,907	501	22,408
	84,741	4,891	89,632

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

Lease - Fleet-In Car Cameras

April 30, 2024

Date of Issue	April 30, 2024
Date of Maturity	April 30, 2028
Authorized Issue	\$114,672
Interest Rate	2.62%
Interest Date	April 30
Payable at	Axon Enterprise, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 22,335	2,430	24,765
2026	22,919	1,846	24,765
2027	23,518	1,247	24,765
2028	24,134	631	24,765
	92,906	6,154	99,060

VILLAGE OF FRANKFORT, ILLINOIS

Long-Term Debt Requirements

Lease - Interview Camera

April 30, 2024

Date of Issue	March 30, 2024
Date of Maturity	March 30, 2028
Authorized Issue	\$48,133
Interest Rate	2.28%
Interest Date	March 30
Payable at	Axon Enterprise, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 9,407	888	10,295
2026	9,622	673	10,295
2027	9,841	454	10,295
2028	10,066	229	10,295
	38,936	2,244	41,180

VILLAGE OF FRANKFORT, ILLINOIS

Consolidated Year-End Financial Report April 30, 2024

CSFA #	Program Name	State	Federal	Other	Totals
420-00-1758	Site Improvements	\$ 760,000	—	—	760,000
422-50-1655	Certified Local Government Grants Program	24,500	—	—	24,500
444-26-1565	Tobacco Enforcement Grant Program	—	1,069	—	1,069
	Other Grant Programs and Activities	—	505,364	—	505,364
	Totals	784,500	506,433	—	1,290,933

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, 2024 (Unaudited)

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years* April 30, 2024 (Unaudited)

	2015	2016	2017
Governmental Activities			
Net Investment in Capital Assets	\$ 117,128,772	114,140,516	114,633,501
Restricted	7,085,507	5,383,990	568,666
Unrestricted	6,726,567	(2,941,994)	1,136,771
Total Governmental Activities Net Position	130,940,846	116,582,512	116,338,938
Business-Type Activities			
Net Investment in Capital Assets	81,119,996	82,055,859	81,719,708
Unrestricted	13,326,091	9,993,638	10,957,613
Total Business-Type Activities Net Position	94,446,087	92,049,497	92,677,321
Primary Government			
Net Investment in Capital Assets	198,248,768	196,196,375	196,353,209
Restricted	7,085,507	5,383,990	568,666
Unrestricted	20,052,658	7,051,644	12,094,384
Total Primary Government Net Position	225,386,933	208,632,009	209,016,259

*Accrual Basis of Accounting

Data Source: Village Records

2018	2019	2020	2021	2022	2023	2024
111,052,299	108,277,749	105,455,418	105,117,978	102,258,656	98,478,625	99,338,027
926,265	1,296,856	1,755,931	2,509,547	3,574,678	4,646,606	2,872,262
1,891,938	3,851,177	5,551,718	10,392,656	17,370,329	21,362,890	24,020,940
113,870,502	113,425,782	112,763,067	118,020,181	123,203,663	124,488,121	126,231,229
78,129,382	76,645,300	67,597,225	72,155,113	74,085,516	75,676,600	77,695,781
16,088,229	20,584,311	25,282,911	25,474,143	28,436,955	31,156,975	36,861,093
94,217,611	97,229,611	92,880,136	97,629,256	102,522,471	106,833,575	114,556,874
189,181,681	184,923,049	173,052,643	177,273,091	176,344,172	174,155,225	177,033,808
926,265	1,296,856	1,755,931	2,509,547	3,574,678	4,646,606	2,872,262
17,980,167	24,435,488	30,834,629	35,866,799	45,807,284	52,519,865	60,882,033
208,088,113	210,655,393	205,643,203	215,649,437	225,726,134	231,321,696	240,788,103

VILLAGE OF FRANKFORT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* April 30, 2024 (Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
General Government	\$ 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	1,235,595
Community Development	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	1,726,279
Public Safety	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	8,126,571
Public Works	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	14,728,244
Solid Waste	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	1,802,376
Interest on Long-Term Debt	26,606	—	—	—	—	—	—	—	—	—
Total Governmental Activities Expenses	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	27,619,065
Business-Type Activities										
Water and Sewer	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	11,115,903
Total Primary Government Expenses	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	38,734,968
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	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	1,829,585
Public Safety	541,833	556,228	560,164	169,484	121,794	163,908	234,781	280,846	290,028	237,415
Public Works	587,238	356,419	306,940	172,782	167,465	138,879	203,032	195,799	103,966	110,345
Solid Waste	246,178	268,654	274,725	874,912	1,344,024	1,417,309	1,473,538	1,543,090	1,607,855	1,725,292
Operating Grants/Contributions	468,251	505,304	494,854	608,836	38,293	1,890	851,921	2,261	2,786	28,755
Capital Grants/Contributions	104,574	443,223	2,511,139	47,476	853,459	928,569	4,193,546	1,153,724	989,714	1,729,403
Total Governmental Activities	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	5,660,795
Business-Type Activities										
Charges for Services										
Water and Sewer	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	15,196,384
Capital Grants/Contributions	—	—	55,000	—	—	—	—	908,050	122,900	500,000
Total Business-Type Activities Program Revenues	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	15,696,384
Total Primary Government Program Revenues	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	21,357,179

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expenses) Revenues										
Governmental Activities	\$ (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)	(21,958,270)
Business-Type Activities	(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	4,580,481
Total Primary Government Net (Expenses) Revenues	(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)	(17,377,789)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	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	4,413,009
Utility	—	—	—	1,326,531	1,938,633	1,751,412	1,621,180	1,799,739	1,848,877	1,582,561
Intergovernmental										
Sales Taxes	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	10,998,559
Income Taxes	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	3,377,669
Use Taxes	—	—	438,441	467,728	540,628	622,245	799,960	750,664	832,250	766,446
Replacement Taxes	54,238	57,438	63,357	49,120	51,911	58,769	70,648	154,555	182,446	123,354
ARPA Grants	—	—	—	—	—	—	—	1,318,184	1,318,184	—
Interest Income	59,032	31,886	51,246	112,255	393,571	462,883	55,969	(133,738)	1,210,310	2,175,183
Miscellaneous	817,102	410,480	192,360	211,027	294,707	325,119	224,526	291,184	259,159	264,597
Transfers - Internal Balances	690,375	183,713	—	—	—	—	—	—	—	—
Total Governmental Activities	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	23,701,378
Business-Type Activities										
Interest Income	59,295	49,484	28,803	64,340	350,032	531,388	71,361	(246,247)	811,311	1,661,841
Miscellaneous	29,327	33,519	51,607	28,048	14,239	112,683	18,120	19,416	79,040	1,480,977
Transfers - Internal Balances	(690,375)	—	—	—	—	—	—	—	—	—
Total Business-Type Activities	(601,753)	83,003	80,410	92,388	364,271	644,071	89,481	(226,831)	890,351	3,142,818
Total Primary Government	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	26,844,196
Changes in Net Position										
Governmental Activities	(2,439,893)	(4,749,533)	(243,574)	(1,330,794)	(444,720)	(662,715)	5,257,114	5,183,482	1,284,458	1,743,108
Business-Type Activities	(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	7,723,299
Total Primary Government	(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	9,466,407

* Accrual Basis of Accounting

Data Source: Village Records

VILLAGE OF FRANKFORT, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years* April 30, 2024 (Unaudited)

	2015	2016	2017
General Fund			
Nonspendable	\$ —	—	300,361
Unassigned	2,456,397	1,435,089	5,802,314
Total General Fund	2,456,397	1,435,089	6,102,675
All Other Governmental Funds			
Nonspendable	—	—	—
Restricted	7,085,507	5,383,990	568,666
Assigned	5,587,701	7,917,827	8,037,721
Total All Other Governmental Funds	12,673,208	13,301,817	8,606,387
Total Governmental Funds	15,129,605	14,736,906	14,709,062

* Modified Accrual Basis of Accounting

Data Source: Village Records

2018	2019	2020	2021	2022	2023	2024
—	—	—	—	—	—	34,031
6,125,057	6,125,057	6,125,057	7,170,358	7,170,358	7,246,294	7,212,263
6,125,057	6,125,057	6,125,057	7,170,358	7,170,358	7,246,294	7,246,294
—	—	—	—	—	—	85,113
926,265	1,296,856	1,755,931	2,509,547	3,574,678	4,646,606	2,872,262
10,097,648	12,107,992	15,229,446	18,449,525	23,902,543	27,715,601	30,138,236
11,023,913	13,404,848	16,985,377	20,959,072	27,477,221	32,362,207	33,095,611
17,148,970	19,529,905	23,110,434	28,129,430	34,647,579	39,608,501	40,341,905

VILLAGE OF FRANKFORT, ILLINOIS

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

April 30, 2024 (Unaudited)

	2015	2016	2017
Revenues			
Taxes			
Property	\$ 3,900,889	3,547,862	3,565,618
Utility	—	—	—
Intergovernmental			
Sales Taxes	6,156,291	6,488,623	6,442,710
Use Taxes	—	—	—
Income Taxes	1,791,461	1,818,863	1,676,626
Motor Fuel Taxes	468,251	487,332	483,219
Other Taxes	—	—	—
Replacement	54,238	57,438	63,357
Grants	104,574	461,195	261,811
Charges for Services	949,794	985,875	1,040,612
Licenses and Permits	1,472,717	1,606,092	1,478,158
Fines and Forfeitures	190,094	209,637	156,905
Interest Income	59,032	31,886	51,246
Miscellaneous	457,826	183,713	192,360
Total Revenues	15,605,167	15,878,516	15,412,622
Expenditures			
General Government	1,226,492	1,212,974	1,179,576
Building and Community Development	1,026,036	990,264	1,008,065
Public Safety	5,590,913	5,806,743	5,914,044
Public Works	3,954,226	3,963,254	3,353,639
Solid Waste	1,358,153	1,373,180	1,417,644
Capital Outlay	5,275,911	2,938,387	2,580,039
Debt Service			
Principal Retirement	690,000	—	—
Interest and Fiscal Charges	375	—	—
Total Expenditures	19,122,106	16,284,802	15,453,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,516,939)	(406,286)	(40,385)
Other Financing Sources (Uses)			
Disposal of Capital Assets	35,283	13,587	12,541
Transfers In	3,463,386	6,097,564	7,301,970
Transfers Out	(2,773,011)	(6,097,564)	(7,301,970)
	725,658	13,587	12,541
Net Change in Fund Balances	(2,791,281)	(392,699)	(27,844)
Debt Service as a Percentage of Noncapital Expenditures	4.60%	0.00%	0.00%

*Modified Accrual Basis of Accounting

Data Source: Village Records

2018	2019	2020	2021	2022	2023	2024
3,697,632	3,774,240	3,864,952	3,971,304	4,022,031	4,172,073	4,413,009
1,326,531	1,938,633	1,751,412	1,621,180	1,799,739	1,848,877	1,582,561
6,048,104	5,942,547	7,883,132	9,160,968	10,994,405	10,897,282	10,998,559
467,728	540,628	622,245	799,960	750,664	832,250	766,446
1,618,056	1,839,642	1,749,481	2,158,420	3,058,907	3,123,381	3,377,669
485,908	500,515	663,993	712,559	761,342	794,419	967,225
—	—	—	16,201	30,966	33,503	33,813
49,120	51,911	58,769	70,648	154,555	182,446	123,354
170,404	208,655	266,466	1,543,478	1,712,827	1,516,265	790,933
1,633,558	2,093,455	2,163,159	2,240,145	2,583,603	2,479,830	2,537,688
972,226	1,064,920	1,020,031	1,003,214	1,139,260	1,010,835	1,142,559
175,122	153,650	142,910	176,028	196,692	209,500	222,390
112,255	393,571	462,883	55,969	(133,738)	1,210,310	2,175,183
211,027	294,707	325,119	208,325	260,218	225,656	230,784
16,967,671	18,797,074	20,974,552	23,738,399	27,331,471	28,536,627	29,362,173
1,161,025	1,029,421	1,019,371	1,010,353	1,198,939	1,190,569	1,331,744
972,944	1,286,600	1,117,485	1,205,895	1,388,727	1,505,758	1,677,136
5,993,216	6,193,337	6,788,954	7,133,159	7,875,618	7,993,777	7,582,675
3,040,776	3,173,548	3,336,583	3,572,749	3,411,259	3,575,079	3,780,795
1,397,520	1,412,339	1,460,001	1,513,433	1,590,642	1,674,427	1,802,376
1,966,920	3,328,299	3,686,993	4,684,786	5,427,928	7,645,622	12,531,895
—	—	—	—	—	—	—
—	—	—	—	—	—	—
14,532,401	16,423,544	17,409,387	19,120,375	20,893,113	23,585,232	28,706,621
2,435,270	2,373,530	3,565,165	4,618,024	6,438,358	4,951,395	655,552
4,638	7,405	15,364	400,972	79,791	9,527	77,852
3,600,000	4,603,255	5,844,269	6,600,000	10,652,530	10,773,794	9,959,119
(3,600,000)	(4,603,255)	(5,844,269)	(6,600,000)	(10,652,530)	(10,773,794)	(9,959,119)
4,638	7,405	15,364	400,972	79,791	9,527	77,852
2,439,908	2,380,935	3,580,529	5,018,996	6,518,149	4,960,922	733,404
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, 2024 (Unaudited)

Fiscal Year	Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
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
2024	2023	1,033,765,574	4,213,435	94,653,696	42,343,611

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
\$ 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
1,174,976,316	463,966	1,175,440,282	33.33	0.3943

VILLAGE OF FRANKFORT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years - Cook County April 30, 2024 (Unaudited)

	2014	2015	2016
Direct Rates			
Village of Frankfort			
Corporate	0.0045	0.0062	0.0051
Police Protection	0.1517	0.1486	0.1560
Garbage Disposal	0.0247	0.0219	0.0068
I.M.R.F	0.0273	0.0267	0.0281
Social Security	0.0254	0.0248	0.0261
Police Pension	0.1053	0.1106	0.1166
PA 102 059 Adj	0.0000	0.0000	0.0000
Road and Bridge	0.1055	0.1017	0.0981
	0.4444	0.4405	0.4368
Overlapping Rates			
Will County Forest Preserve District	0.1977	0.1937	0.1944
Community Mental Health Board	—	—	—
Will County	0.6210	0.6140	0.6121
Will County Building Comm.	0.0223	0.0218	0.0026
Frankfort Township Funds	0.0998	0.0998	0.0962
Frankfort Township Road Funds	0.1167	0.1138	0.1097
Frankfort Fire Protection District	0.8157	0.8224	0.8078
Frankfort School District #157-C	4.0179	4.0362	3.9139
Crete-Monee School District #201-U	8.8188	8.6262	8.6810
Peotone School District #207-U	4.5933	4.6250	4.5481
Lincoln-Way High School District #210	2.1394	2.1594	2.1189
Prairie State Community College District #515	0.4585	0.4703	0.5537
Joliet Community College District #525	0.3066	0.3065	0.3099
Frankfort Park District	0.2286	0.2302	0.2268
Frankfort Square Park District	0.6527	0.6699	0.6433
Frankfort Public Library	0.2049	0.2067	0.2033
Mokena Community Library District	0.3169	0.3392	0.3338
Mokena Fire District	1.0097	1.0245	1.0093
Green Garden Township Fund	0.1383	0.1387	0.1350
Green Garden Township Road Fund	0.4526	0.4538	0.4417
Monee Township Fund	0.2288	0.2284	0.2185
Monee Township Road Fund	0.3383	0.3378	0.3231
Monee Fire Protection District	0.9489	0.9502	0.9087
Peotone Library District	0.1138	0.1134	0.1092
Mokena Community Park District	0.3234	0.3255	0.3208
Summit Hill School District #161	4.1112	4.1590	4.1149
Total Direct and Overlapping Rates	31.7202	31.7069	31.3735

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

2017	2018	2019	2020	2021	2022	2023
0.0050	0.0051	0.0054	0.0056	0.0061	0.0065	0.0068
0.1374	0.1399	0.1329	0.1061	0.1145	0.1268	0.1278
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0326	0.0264	0.0278	0.0270	0.0259	0.0239	0.0200
0.0440	0.0436	0.0421	0.0443	0.0425	0.0392	0.0384
0.1196	0.1235	0.1302	0.1553	0.1472	0.1292	0.1229
0.0000	0.0000	0.0000	0.0000	0.0008	0.0005	0.0008
0.0929	0.0896	0.0895	0.0806	0.0798	0.0803	0.0776
0.4315	0.4281	0.4279	0.4189	0.4168	0.4064	0.3943
0.1895	0.1504	0.1462	0.1443	0.1339	0.1257	0.1164
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0362
0.5986	0.5927	0.5842	0.5788	0.5761	0.5620	0.5495
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0951	0.0926	0.0931	0.0934	0.0904	0.0878	0.0861
0.1083	0.1061	0.1015	0.1054	0.1039	0.0952	0.0953
0.8084	0.8108	0.8155	0.8223	0.8174	0.8066	0.8003
3.8339	3.6675	3.5394	3.5494	3.5315	3.5053	3.4829
8.7142	8.4857	8.3662	8.1108	7.8168	7.4794	7.3527
4.5288	4.5453	4.0812	3.7374	3.6389	3.4484	3.3529
2.1207	2.1292	2.1550	2.1911	2.1986	2.1877	2.1908
0.4577	0.4481	0.4595	0.4336	0.4148	0.4099	0.3979
0.2994	0.2924	0.2938	0.2891	0.2848	0.2876	0.2818
0.2263	0.2274	0.2284	0.2278	0.2254	0.2196	0.2152
0.6382	0.6274	0.6396	0.6383	0.5349	0.5236	0.5457
0.2025	0.2035	0.2044	0.2041	0.2033	0.2028	0.2015
0.3327	0.3335	0.3356	0.3371	0.3268	0.3164	0.3058
1.0095	1.0126	1.0235	1.0269	1.0149	1.0160	1.0220
0.1378	0.1386	0.1335	0.1346	0.1324	0.1290	0.1244
0.4508	0.4533	0.4546	0.4583	0.4507	0.4393	0.4232
0.2177	0.2206	0.2158	0.2144	0.2135	0.2100	0.2095
0.3219	0.3262	0.3191	0.3171	0.3150	0.3102	0.3065
0.9040	0.8968	0.8925	0.8854	0.8774	0.8536	0.8238
0.1089	0.1079	0.1068	0.1071	0.1052	0.1024	0.0996
0.3175	0.3160	0.3154	0.3139	0.3086	0.3048	0.2952
4.1024	4.1247	4.1544	4.1765	4.1634	4.1712	4.2114
31.1563	30.7374	30.0871	29.5160	28.8954	28.2009	27.9209

VILLAGE OF FRANKFORT, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2024 (Unaudited)

Taxpayer	2023			2015		
	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	0.42%	\$ 4,954,600	1	0.62%
Frankfort Crossing LLC	3,727,734	2	0.32%			
CAB Holdings Inc.	2,967,989	3	0.25%	2,967,989	4	0.37%
Cedarhurst Frankfort RE LLC	2,471,257	4	0.21%			
Prairie Xing Frankfort IL LLC	2,254,882	5	0.19%			
Butera Center Management Inc.	1,966,667	6	0.17%	2,394,800	6	0.30%
Charm III LLC-Home Depot USA	1,776,714	7	0.15%			
Realty Income IL Properties 2	1,587,558	8	0.14%			
Performance Management	1,316,667	9	0.11%			
Crown Centre Frankfort LLC	1,314,740	10	0.11%	1,314,740	10	0.17%
BRE Throne Frankfort Xing LLC				3,727,734	2	0.47%
Inland Prairie Crossings LLC				3,635,997	3	0.46%
Home Depot				2,617,334	5	0.33%
Kohls				2,031,520	7	0.26%
Dominick's Finer Foods				1,701,320	8	0.21%
IM Property LLC				1,544,266	9	0.19%
	<u>24,338,808</u>		<u>2.07%</u>	<u>26,890,300</u>		<u>3.38%</u>

Data Source: County Board of Equalization and Assessment

VILLAGE OF FRANKFORT, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years April 30, 2024 (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
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	4,413,009	99.70%	—	4,413,009	99.70%
2024	2023	4,650,076	—	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 2023 tax levy will be collected in fiscal year 2025.

Data Source: Office of the County Clerk

VILLAGE OF FRANKFORT, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years April 30, 2024 (Unaudited)

Fiscal Year	Governmental Activities Leases Payable	Business-Type Activities IEPA Loans Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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
2024	216,583	44,083,012	44,299,595	3412.39%	2,058.63

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

Schedule of Direct and Overlapping Governmental Activities Debt April 30, 2024 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village of Frankfort	\$ 216,583	100.00%	\$ 216,583
Overlapping Debt			
Will County	358,178,905	4.445%	15,921,052
Will County Forest Preserve	56,320,000	4.445%	2,503,424
Park Districts:			
Frankfort	1,620,000	99.162%	1,606,424
Frankfort Square	1,336,000	19.938%	266,372
Mokena Community	5,362,155	1.271%	68,153
School Districts			
Frankfort SD # 157-C	7,985,000	92.822%	7,411,837
Summit Hill SD #161	25,149,152	12.618%	3,173,320
Lincoln Way HSD #210	194,898,074	22.791%	44,419,220
Crete-Monee SD #201-U	135,226,045	0.058%	78,431
Peotone SD #207-U	4,620,000	2.028%	93,694
Prairie State Community College	23,850,760	0.120%	28,621
Joliet Community College #525	44,535,000	4.524%	2,014,763
Total Overlapping Debt	859,081,091		77,585,311
Total Direct and Overlapping Debt	859,297,674		77,801,894

(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, 2024 (Unaudited)

Waterworks and Sewerage Revenue Bonds							
Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage	
				Principal	Interest		
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	
2024	18,339,202	6,645,359	11,693,843	2,619,053	802,763	3.42	

(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, 2024 (Unaudited)

See Following Page

VILLAGE OF FRANKFORT, ILLINOIS

Schedule of Legal Debt Margin - Last Ten Fiscal Years April 30, 2024 (Unaudited)

	2015	2016	2017	2018
Assessed Valuation	\$ 795,842,797	807,577,029	841,663,276	873,827,769
Bonded Debt Limit - 8.625% of Assessed Value	68,641,441	69,653,519	72,593,458	75,367,645
Less: General Obligation Bonds (1)	—	—	—	—
Legal Debt Margin	68,641,441	69,653,519	72,593,458	75,367,645
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	100.00%	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.

2019	2020	2021	2022	2023	2024
901,656,209	927,573,805	957,925,645	1,000,151,364	1,085,222,558	1,175,440,282
77,767,848	80,003,241	82,621,087	86,263,055	93,600,446	101,381,724
—	—	—	—	—	—
77,767,848	80,003,241	82,621,087	86,263,055	93,600,446	101,381,724
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, 2024 (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		
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	7,417	7,839	3.20%
2024	21,519	1,298,198	60,328	42.6	12,928	7,915	7,807	4.80%

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, 2024 (Unaudited)

Employer	2023			2014		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Administrative and Waste						
Management Services	1,774	1	N/A	N/A	N/A	N/A
Retail Trade	1,481	2	N/A	N/A	N/A	N/A
Accommodation and Food Services	1,181	3	N/A	N/A	N/A	N/A
Manufacturing	953	4	N/A	N/A	N/A	N/A
Health Care and Social Assistance	847	5	N/A	N/A	N/A	N/A
Construction	834	6	N/A	N/A	N/A	N/A
Other Services	570	7	N/A	N/A	N/A	N/A
Professional, Scientific and Technical Services	485	8	N/A	N/A	N/A	N/A
Finance and Insurance	342	9	N/A	N/A	N/A	N/A
Wholesale Trade	300	10	N/A	N/A	N/A	N/A
	<u>8,767</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, 2024 (Unaudited)

Function/Program	2015	2016	2017
General Government	14	16	16
Public Safety	28	28	27
Public Works	18	18	16
Building and Community Development	6	5	5
Waterworks and Sewage	21	21	20
Totals	87	88	84

Data Source: Various Village Records

2018	2019	2020	2021	2022	2023	2024
13	13	13	12	12	12	12
27	29	32	35	32	32	32
16	16	17	17	17	18	18
5	5	6	6	7	8	8
20	21	20	20	20	21	21
81	84	88	90	88	91	91

VILLAGE OF FRANKFORT, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2024 (Unaudited)

Function/Program	2015	2016	2017
Police			
Arrests	535	420	413
Traffic Violation	9,404	9,647	7,771
Parking Violations	249	255	249
Public Works			
Street Resurfacing (Miles)	1.900	0.510	1.880
Building and Community Development			
Building Permits Issued	92	82	88
Building Value	34,500,000	30,750,000	34,555,822
Inspections	3,881	3,611	3,031
Solid Waste			
Refuse Collected (Tons/Day)	22.51	23.63	24.88
Recyclables Collected (Tons/Day)	5.74	5.85	5.87
Waterworks and Sewage			
Number of Customers	10,782	10,825	10,901
Average Daily Consumption	2,322,122	2,311,614	2,422,209
Total Gallons Billed	847,574,374	843,739,148	884,106,133

Data Source: Various Village Records

2018	2019	2020	2021	2022	2023	2024
405	492	358	218	308	431	278
7,641	7,358	7,788	7,728	9,257	8,547	6,633
271	301	283	174	233	216	261
1.909	2.680	3.365	4.864	5.900	9.400	8.800
89	109	85	109	133	77	82
29,435,000	42,599,550	37,505,000	45,321,000	55,432,750	38,037,000	53,880,000
3,398	3,290	3,428	4,158	4,076	4,933	4,696
25.87	23.94	25.24	27.97	27.32	26.55	26.49
6.01	5.48	5.57	5.67	5.30	5.32	5.35
11,008	11,086	11,187	11,296	11,395	11,461	10,832
2,485,096	2,371,596	2,186,148	2,399,790	2,303,685	2,282,492	2,318,774
907,060,154	865,632,367	797,943,858	875,923,221	840,845,150	833,109,523	846,352,440

VILLAGE OF FRANKFORT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years April 30, 2024 (Unaudited)

Function/Program	2015	2016	2017
Police			
Stations	1	1	1
Patrol Units	16	16	16
Public Works			
Streets (Miles)	130	130	130
Streetlights	1,452	1,454	1,455
Storm Sewers (Miles)	80	80	80
Storm Inlets	2,753	2,753	2,753
Waterworks and Sewerage			
Water Mains (Miles)	208	208	209
Fire Hydrants	2,836	2,837	2,840
Sanitary Sewers (Miles)	181	181	182
Manholes	4,341	4,341	4,351

Data Source: Various Village Records

2018	2019	2020	2021	2022	2023	2024
1	1	1	1	1	1	1
16	19	21	23	21	21	21
130	130	130	130	130	130	130
1,455	1,455	1,455	1,455	1,455	1,455	1,459
81	81	81	81	81	81	81
2,765	2,765	2,765	2,765	2,766	2,767	2,767
209	209	209	210	210	210	211
2,840	2,840	2,840	2,842	2,845	2,845	2,850
182	182	182	182	182	182	182
4,351	4,351	4,351	4,351	4,351	4,351	4,357