

# FINANCIAL TRANSPARENCY 2019

## VILLAGE OF FRANKFORT EST • 1855

**The Village of Frankfort is committed to financial transparency. Financial documents are available on the Village website, [www.villageoffrankfort.com](http://www.villageoffrankfort.com), and include the Village's annual budgets and audited financial statements. Following is a convenient summary of the latest report on Village finances.**

On September 16, 2019, the Comprehensive Annual Financial Report (CAFR), for the fiscal year ended April 30, 2019, was accepted by the Village Board. The information provided in this pamphlet is intended to highlight the data contained in the Village's CAFR in a simplified and more reader-friendly format. All information in this report can be found in greater detail in the CAFR.

The CAFR was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was independently audited by the Village's external auditor. The audit received an unmodified opinion, the most favorable audit opinion a Village can receive. It is the Village's commitment to ensure financial information is presented in a way that is consistent with the highest standards of governmental financial reporting. The Village has received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past thirty consecutive years.

Like other local governments, the Village of Frankfort utilizes fund accounting. A fund is a grouping of related accounts used to maintain control over resources that are segregated for specific activities or objectives. *All of the Village's funds are divided into three categories: governmental funds, business-type funds, and fiduciary funds.*



### GOVERNMENTAL FUNDS

- General
- Capital Projects-  
Capital Development
- Special Revenue-  
Motor Fuel Tax



### BUSINESS-TYPE FUNDS

- Water & Sewer



### FIDUCIARY FUNDS

- Police Pension

# GOVERNMENTAL FUNDS

General,  
Capital Projects–Capital Development,  
Special Revenue–Motor Fuel Tax

Governmental funds are used to account for most of the Village's general activities, including general administration, public safety, highways and streets, solid waste and building & community development. Governmental funds are categorized as: the General Fund, the Capital Projects Fund and the Special Revenue Fund. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The Capital Projects Fund is used to account for and report resources that are assigned for capital outlay. The Special Revenue Fund is used to account for and report specific revenue sources that are restricted for specified purposes.

## ASSETS AND LIABILITIES 4/30/19 HIGHLIGHTS

(\$ in thousands)

Cash and Investments	<b>\$18,830</b>
Capital Assets, Net of Depreciation	<b>\$108,278</b>
Long-Term Loans Outstanding	<b>\$ 0</b>

## FISCAL YEAR 2019 REVENUES AND EXPENDITURES

(\$ in thousands)

### REVENUES:

Sales Tax	\$5,943
Property Tax	\$3,774
Charges for Services	\$2,093
Utility Taxes	\$1,939
Income Tax	\$1,840
Other	\$3,215
<b>Total Revenues</b>	<b>\$18,804</b>

### OPERATING EXPENDITURES:

Public Safety	(\$6,249)
Street Resurfacing Program	(\$1,689)
Public Works	(\$3,199)
Garbage Disposal	(\$1,412)
General Government	(\$1,602)
Building & Community Development	(\$1,287)
<b>Total Operating Expenditures</b>	<b>(\$15,438)</b>

### CAPITAL OUTLAY EXPENDITURES:

Buildings & Improvements	(\$98)
Vehicles	(\$310)
Equipment	(\$80)
Infrastructure	(\$497)
<b>Total Capital Outlay</b>	<b>(\$985)</b>

### INCREASE IN FUND BALANCE:

Beginning Fund Balance	\$17,149
Ending Fund Balance	\$19,530

## ADDITIONAL GOVERNMENTAL FUND DATA:

- Tax revenue is the primary support for expenditures.
- Sales tax is the largest revenue source and is increasing due to the 1% increase that became effective July 1, 2019.
- Public safety expenditures are projected to increase in the future due to the hiring of five new police officers.
- The Village is spending more on the street resurfacing program due to its aging roads, mainly in residential subdivisions.
- The Village continues to be financially strong over the years due to the Village's conservative approach to budgeting and operations.
- The long-term financial plan is reviewed and updated annually. Elected officials, staff and citizen committee members take a proactive approach in evaluating the Village's revenue sources, operating expenditures and capital needs of our community.

# BUSINESS-TYPE FUNDS

Water & Sewer Funds

Business-type funds (also known as Utility funds) are made up exclusively of the Water and Sewer Funds. Sewer and water user charges are the main source of revenue. This revenue is used to pay for costs associated with providing sewer and water services to the community. These costs include operational costs such as personnel expenses and capital costs including vehicles, equipment and infrastructure improvements. The Village's largest capital project to date is the waste water treatment plant project.

## ASSETS AND LIABILITIES 4/30/19 HIGHLIGHTS

(\$ in thousands)

Cash and Investments	<b>\$20,794</b>
Capital Assets, Net of Depreciation	<b>\$123,805</b>
Long-Term Loans Outstanding*	<b>\$47,159</b>

## ADDITIONAL WATER & SEWER FUND DATA:

- Water and sewer charges are the primary source of revenue.
- The Village provides services to over 11,000 customers (including incorporated and unincorporated areas).
- The Village's long-term financial plan is reviewed and updated annually. Elected officials, staff and citizen committee members take a proactive approach when considering the Village's revenue sources, operating expenditures and capital needs of our community.



\* Interest rates less than 2%

## FISCAL YEAR 2019 REVENUES AND EXPENSES

(\$ in thousands)

### WATER & SEWER REVENUES:

Total Water & Sewer Revenues	<b>\$12,053</b>
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### OPERATING EXPENDITURES:

Water & Sewer Operations	(\$5,785)
Depreciation	(\$2,967)
Interest Expense	(\$289)
<b>Total Operating Expenditures</b>	<b>(\$9,041)</b>

### INCREASE IN NET POSITION:

**\$3,012**

Beginning Net Position	\$94,218
Ending Net Position	\$97,230

## FISCAL YEAR 2019 PURCHASE OF CAPITAL ASSETS

Regional Waste Water Treatment Plant Consolidation Project	(\$25,843)
Water Lines - Transmission	(\$480)
Well/Iron Removal	(\$26)
Vehicles	(\$113)
<b>Total Capital Outlay</b>	<b>(\$26,462)</b>

## DEBT ISSUED AND REPAYED DURING FISCAL YEAR 2019

### ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (IEPA) LOANS\*:

Beginning Balance	\$22,188
Issuances	\$25,559
Repayment	(\$588)
<b>Ending Balance</b>	<b>\$47,159</b>

# FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for pension benefit payments to qualified police personnel and beneficiaries. The main source of revenue is calculated by an actuary and is funded through the Village's property tax revenues. The resources of this fund are not available to support the activities or obligations of the Village.

## ASSETS AND LIABILITIES 4/30/19 HIGHLIGHTS

(\$ in thousands)

Cash and Investments	<b>\$15,135</b>
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## ADDITIONAL POLICE PENSION FUND DATA:

- Employer contributions come from property tax dollars.
- Covered employees are required to contribute 9.91% of their base salary.
- As of 4/30/19 there were 14 inactive plan members receiving benefits.
- As of 4/30/19 there were 28 active members contributing to the plan.

\* Total pension liability is determined by a set of actuarial assumptions. Changes to the assumptions would result in increases or decreases in the reported plan funded rate of 55.88%. For more information about the actuarial assumptions, turn to page 72 in the full CAFR document.

## FISCAL YEAR 2019 ADDITIONS & DEDUCTIONS

(\$ in thousands)

### ADDITIONS:

Contributions - Employer	\$1,043
Contributions - Plan Members	\$262
Net Investment Income	\$992
<b>Total Additions</b>	<b>\$2,297</b>

### DEDUCTIONS:

Benefits And Refunds	(\$742)
Administration	(\$38)
<b>Total Deductions</b>	<b>(\$780)</b>

### INCREASE IN FIDUCIARY NET POSITION: \$1,517

Beginning Net Position	\$13,658
Ending Net Position	\$15,175

### FUNDING RATIO AS OF 4/30/19

Total Pension Liability*	\$27,157
Plan Fiduciary Net Position	\$15,175
<b>Unfunded Pension Liability</b>	<b>\$11,982</b>
<b>Plan Funded Rate*</b>	<b>55.88%</b>

The financial information found in this pamphlet is taken from the Comprehensive Annual Financial Report (CAFR). You can find the complete report at [www.villageoffrankfort.com](http://www.villageoffrankfort.com) under live/government/financial information. If you have any questions or would like more information regarding the Village's finances, please feel free to contact Jenni Booth, Director of Finance, at (815) 469-2177 or visit the Village's website.

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