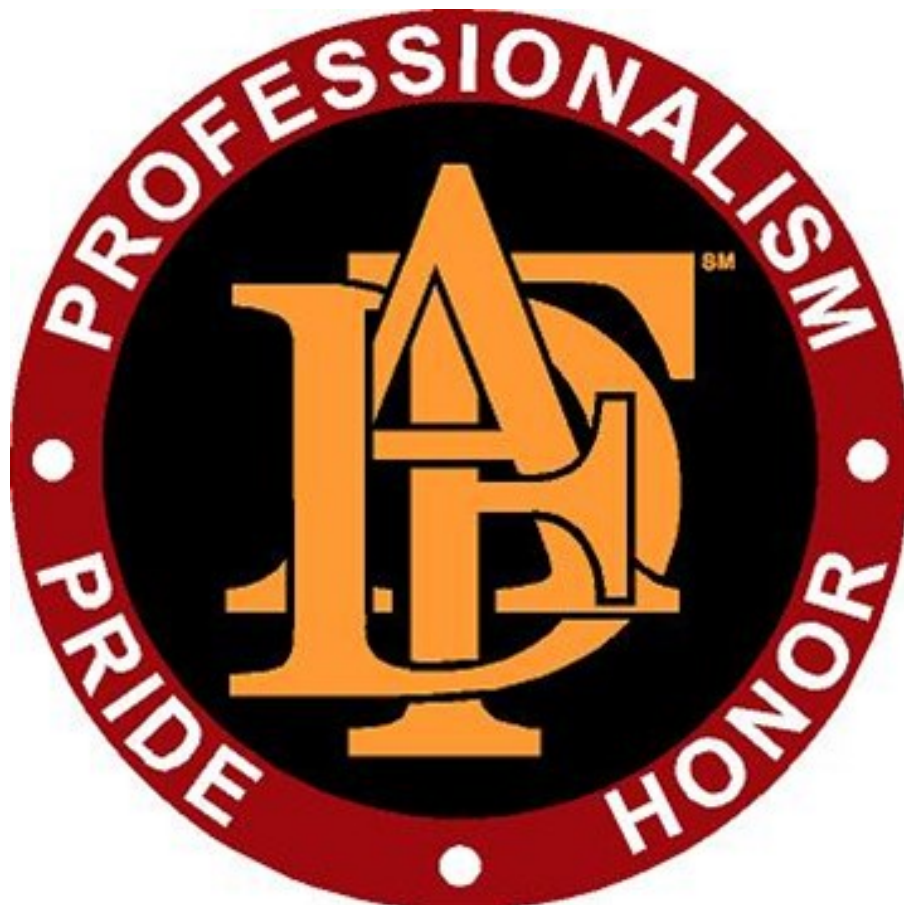


ADDISON FIRE PROTECTION DISTRICT #1

ADDISON, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED MAY 31, 2020



**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
May 31, 2020

Prepared by Administrative Staff

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ADDISON, ILLINOIS
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ADDISON, ILLINOIS
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ADDISON, ILLINOIS
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ADDISON, ILLINOIS
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INTRODUCTORY SECTION

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

MAY 31, 2020

BOARD OF TRUSTEES

Michael J. Super – President

Charles Baxa, Jr. – Secretary

Bernadette LaRocca – Treasurer

BOARD OF COMMISSIONERS

Joseph Saverino – President

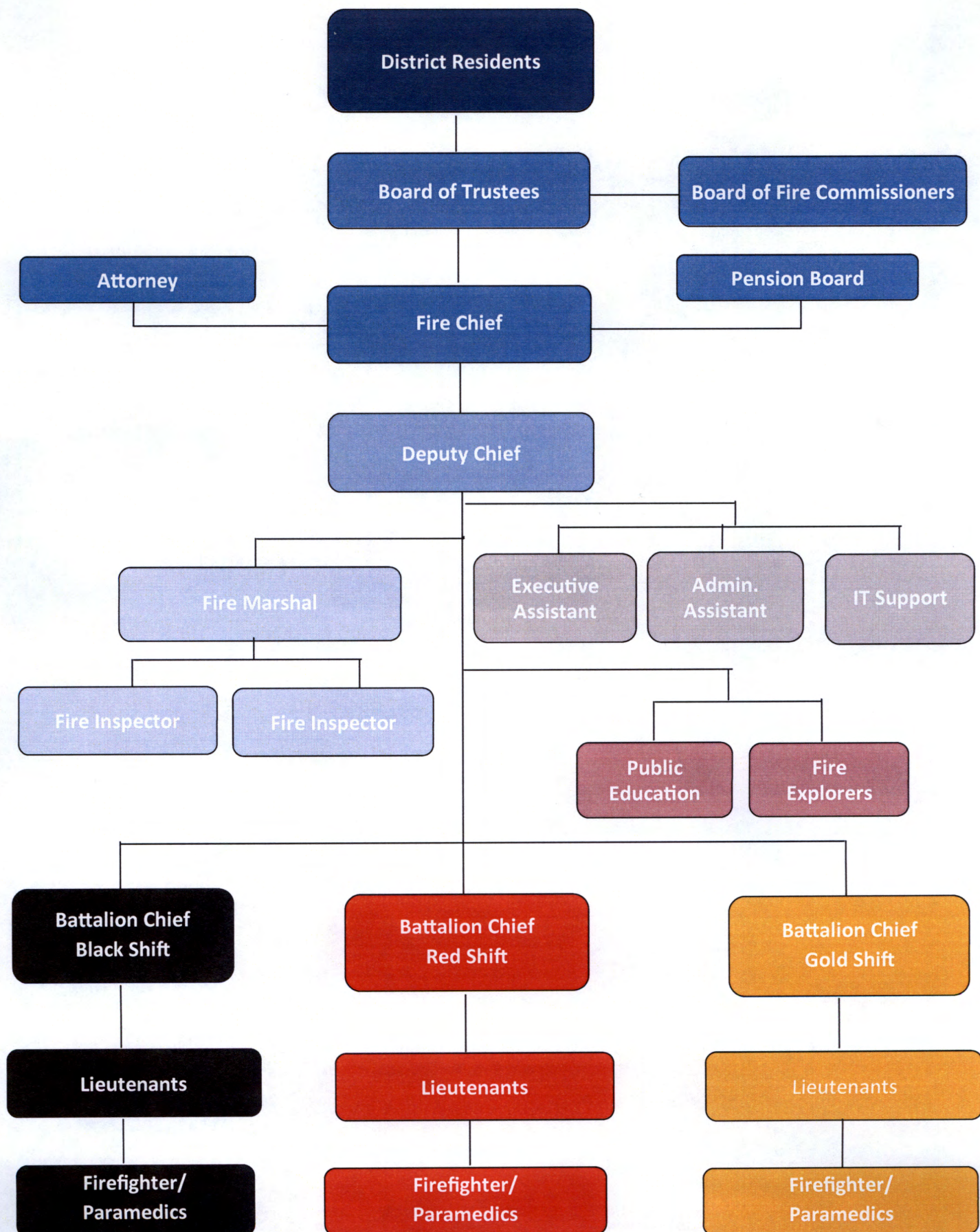
Dr. Daniel LeHoux – Secretary

Maria Reyes – Treasurer

MANAGEMENT STAFF

Scott W. Walker – Fire Chief

Erik E. Kramer – Deputy Fire Chief





Government Finance Officers Association

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

Presented to

**Addison Fire Protection District #1
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

May 31, 2019

Christopher P. Morrell

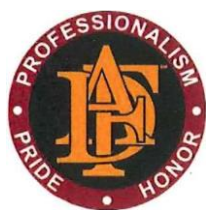
Executive Director/CEO

ADDISON FIRE PROTECTION DISTRICT # 1

10 S. ADDISON ROAD, ADDISON ILLINOIS 60101-3870

PHONE: (630)628-3100 • FAX: (630)543-9742

WWW.ADDISONFIRE.ORG



October 22, 2020

Members of the Board of Trustees
Addison Fire Protection District
Addison, Illinois 60101

BOARD OF TRUSTEES

Michael J. Super
President

Charles Baxa, Jr.
Secretary

Bernadette LaRocca
Treasurer

ADMINISTRATION

Joseph J. Leone
Fire Chief

Scott W. Walker
Deputy Chief

Erik E. Kramer
Deputy Chief

Michael E. Toika
Fire Marshal

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Addison Fire Protection District #1 (District), Addison, Illinois for the fiscal year ended May 31, 2020.

The District is required to issue annually a report of its financial position and activity presented in conformance with generally accepted accounting principles (GAAP). This report is presented using the financial reporting model outlined by the Governmental Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of all the information presented in this report and asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

To provide a reasonable basis for making its representations, management has established a comprehensive internal control framework. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded so that the financial statements can be prepared in conformity with generally accepted accounting principles (GAAP). The objective of the internal control framework is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require an annual audit of the financial records and transactions of the District by independent certified public accountants selected by the Board of Trustees. The Board of Trustees selected the accounting firm of Sikich, LLP. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended May 31, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A is also intended to disclose any known significant events or decisions that affect the financial condition of the District. MD&A complements this letter of transmittal and should be read in conjunction with it.

DISTRICT PROFILE

The Addison Fire Protection District (District) was organized in 1946 under the general laws of the State of Illinois providing for the organization and operation of fire protection districts and is now operating under the provisions of the Fire Protection District Act of the State of Illinois, as amended (70 ILCS 705/0.01 et seq.). The District is comprised of a residential and industrial mix of occupancies in northeast DuPage County. Located approximately twenty- three miles west of Chicago's Central Business District, the District covers a population of approximately 40,000 people and an area of approximately 12 square miles including the Village of Addison and the surrounding unincorporated areas.

The District provides a full range of services to its residents. These services include fire suppression services, emergency medical services, underwater rescue and recovery, hazardous material response, fire prevention and public educational, special rescue and community events. In addition to general operations, the District exercises oversight of the Firefighters' Pension Fund and the Foreign Fire Tax Insurance Board; therefore these activities are included in the reporting entity.

The District operates under an elected Board of Trustees form of government. The Board of Trustees is comprised of three members who are responsible, among other things, for determining policies, passing resolutions and ordinances, adopting the annual budget, and appointing committees. The Fire Chief/Administrator is appointed by the Board of Trustees and is responsible for the daily operations and management of the District.

The annual budget serves as the foundation for the District's financial planning and control. State law requires that a fire protection district adopt a final budget by no later than the end of the first quarter of the new fiscal year. The District budget is prepared by fund and function, but the format of the budget provides for a departmental budget with line item supplemental backup. The legal level of budgetary control is the fund level.

A budget to actual comparison is provided in this report for the General Fund. This comparison is presented as required supplementary information. For governmental funds other than the General Fund, this comparison is presented in the combining and individual fund section of this report.

ECONOMIC CONDITION AND OUTLOOK

Growth and development in the few remaining areas of potential growth have now begun to be developed and rapidly accelerated within the last year. The first retirement occupancy every to be built within the boundaries of our response area is open and operational, with two more on the drawing board. Our number one priority has always been and remains life safety for our citizens and our personnel. We have a high volume of Emergency Medical Service (EMS) activity and this is projected to increase more rapidly as the retirement occupancies discussed above are completed. In anticipation of this increase in ambulance demand, the District adjusted manning to ensure a minimum of three ambulances are in operation at all times. This was done by shifting current staffing levels. As ambulance demand increases, the fire district should realize an increase in the revenue generated by ambulance billing.

The amount of collected property taxes continues to be close to 100% of the levy. Revenues from new properties which are normally very limited are expected to be at their highest levels in decades, with many new building projects underway. Fees for services charged primarily to non-tax paying nonresidents and grants have provided a revenue stream as well. We also have been able to generate some revenue by leasing space on our communication towers located at two of our fire stations and recently added additional tenants. Income earned on interest which had risen over the past years has slowed and leveled off. Interest income is not utilized for operational expenses, so any decreases to this revenue stream will not impact operations. We believe our economic outlook will continue to be acceptable and will allow us to at least maintain current core service levels.

LONG-TERM FINANCIAL PLANNING

The District maintains a continually updated capital improvement/replacement schedule that keeps buildings and equipment up to date and modern. The recent updates of our vehicle fleet and the renovations of all three of our fire stations over the past few years will leave our organization in a good position to only have to address maintenance issues going forward for some time, which will allow us to build up our reserves for future replacement and renovation needs. The Capital Improvement Fund is funded and/or has funding scheduled sufficiently to provide for future needs.

The District has financial policies in place to promote fiscal stability. District policy dictates the spending controls and process for purchases approved by the Board of Trustees and all employees. The District procurement policy shall always be consistent with all State statutes

pertaining to competitive bidding. The investment policy emphasizes safety of principle and maintenance of purchasing power as the foremost objectives, and this concept is reinforced with the requirement that District assets be collateralized for amounts over the FDIC limit. Our investment policy was updated in 2017 to include the District's ability to invest in allowable highly rated municipal bonds for the first time.

MAJOR INITIATIVES FOR FISCAL YEAR 2020

Staffing and associated costs will continue to be our largest operating expenditure. The District has maintained strict controls over overtime. Again this year we have had several retirements with additional retirements expected over the next 2 years. This will required the hiring of between 2 and 4 personnel in FY 20-21. New employee hiring costs and the costs associated with finalizing employment with retirees is well planned and budgeted for.

Upgraded our software and polices in the areas of personnel management, training record management and building preplan management. These upgrades will result in cost savings and other efficiencies going forward.

We will continue to maintain our three fire stations by way of comprehensive inspections and general maintenance. Preventative maintenance plays a major role in maintaining our structures and minimizing costly repairs or replacement. Additionally, steps continue to be completed to reduce costs and lower our carbon imprint by replacing all lighting in and around all three stations with energy efficient lighting.

The District once again negotiated very favorable renewal rates of both liability and worker compensation insurance with two vendors that has resulted in considerable savings in both of these areas. Our current worker compensation insurance rates for firefighters continues to be among one of the lowest in the State of Illinois which is not only the result of strong negotiating, but also a reflection of the robust mechanisms in place that ensure a safe working environment for our employees.

The fire district submitted to obtain a Distinguished Budget Presentation Award from the GFOA for the first time in it's history.

As we enter the FY 2021, we will continue to be vigilant over the budget, the levy, and all expenses by balancing commitments of employment, pensions, and insurances, while maintaining a solid financial position to cover all operational expenses. While the District remains largely dependent on property tax revenue, we have aggressively reviewed and added user fees in an effort to diversify our revenue sources and spread funding responsibilities to users of service. We are always concerned that tough economic times can always be right around the corner and we are very aware of our taxpayer's burden of overall taxes. Our Board of Trustees is addressing that with a continued conservative approach to spending, keeping in mind that we will continue to promote safety by way of training and maintaining an active committee that makes recommendations and reviews incidents as they occur. The current Board of Trustees is continuing the conservative yet progressive controls of our finances necessary to carry us for the next 5-10 years.

Key achievements for the year ended May 31, 2020 include but are not limited to:

*Strive for financial stability, while assessing all necessary programs, review of investments and investment policies and completed capital improvements and purchases without the need to take on any debt which included remodeling of our fire station number one. Continued to remain debt free.

*Funded our firefighter pension at 100% of the highest actuarially required amount plus contributed an additional payment of over \$600,000. Provided the pension fund (IPRF) of our non-firefighting personnel over \$50,000 of additional funding above required actuarially required funding. These extra payments were made possible following strict budgetary restraint and savings realized in all insurance coverages.

*Continue to aggressively renegotiate worker compensation insurance renewals which have resulted in one of the lowest firefighter insurance rates in the State of Illinois.

*Market our new training center which is a model training center for our area in order to generate revenue going forward by offering and hosting various classes. Added another long term lease tenant to one of our communication towers. Working with the State and Federal Governments to increase the amount that is paid for the transport of Medicare and Medicaid patients.

*Continued the work necessary to achieve international accreditation through the Center for Public Safety Excellence. The amount of work being focused toward this endeavor continued to increase during the FY and will remain at a high level until completion which is projected to occur sometime in FY 2021. This goal has been pushed back due to COVID related delays within the CPSE.

*Addison Fire District remains very aggressive toward obtaining public and private grants to help us accomplish our missions and to save taxes for our residents. Since 2006, we have obtained over 2 million dollars of grant money from FEMA's Department of Homeland Security and other agencies. We have several grants currently pending.

*Continue compliance with nationally recognized standards.

*Revamped all of the record management systems within the District.

Major initiatives for the future include:

*Achievement of international accreditation through the Commission on Fire Accreditation International (CFAI) and an Insurance Service Office (ISO) classification of one.

*Fiscal strength will continue to be a concern during these fluctuating economic times. Sources of new revenue stream will continually be researched.

*Fully fund the firefighters' pension fund via alternative revenue bonds in order to contain the ever rising unfunded pension liability costs.

*Strive to continually improve response times and call handling times.

*Strengthen succession planning training in order to plan for anticipated additional retirements

*Continually review and assess all programs and services provided to ensure the needs of our customers are met in the most cost effective manner possible.

AWARDS AND ACKNOWLEDGMENTS

The Addison Fire Protection District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for FY ended May 31, 2015 and every FY since.

The Addison Fire District has for the past 6 years received an unmodified opinion in our audit from the firm of Sikich, LLP.

The timely preparation of the CAFR was made possible by the efficient and dedicated services of our administrative staff. We sincerely appreciate and acknowledge the support and direction provided by the accounting firm of Sikich LLP, in preparing the District's CAFR.

We would also like to express our appreciation to the Board of Trustees for their leadership and support in planning and conducting the financial operations of the District in a responsible manner.

Respectfully submitted,

Scott W. Walker

Scott W. Walker - Fire Chief
Addison Fire Protection District #1

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Addison Fire Protection District #1
Addison, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Addison Fire Protection District #1, Addison, Illinois (the District) as of and for the year ended May 31, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Addison Fire Protection District #1, Addison, Illinois as of May 31, 2020 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted GASB Statement No. 84, *Fiduciary Activities*, for the fiscal year ended May 31, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The combining and individual fund financial statements and schedules, supplemental information, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Sikich LLP

Naperville, Illinois

October 22, 2020

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2020

As the Addison Fire Protection District (the District) management, we offer District financial statement readers this financial activities narrative overview and analysis for the fiscal year ended May 31, 2020. Management's discussion and analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

The District's MD&A is also designated to assist the reader in focusing on significant financial issues, provide an overview of financial activities, identify current changes, address subsequent years challenges, identify material deviations from the financial plan (approved budgets), and identify issues with individual funds.

Financial Highlights

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$24,010,847. The major reason the District's net position is the implementation of GASB 68 and GASB 75 which requires the net pension liability of the District Fire, IMRF Pension, and Other Postemployment Benefit plans to be reported as liabilities of the District on the government wide financial statements.
- The District's total net position decreased by \$3,560,942 primarily due to an increase in long-term liabilities due in more than one year. See page 4 of this CAFR to details of the changes in Net Position.
- As of the current fiscal year close, the District's governmental funds reported combined ending fund balances of \$9,809,665 an increase of \$430,286 in comparison with the prior year. Of this amount, \$9,418,711 (96.0%) is available for spending at the government's discretion (unrestricted fund balance). The District's overall fund balance is reported showing nonspendable, assigned and unassigned funds as well as restricted funds in conformance with GASB requirements.
- At the current fiscal year end, fund balance for the General Fund was \$4,940,790 or 36.0% of total General Fund expenditures. In order for the District to be financially prepared to meet its fiduciary responsibilities in the future while continuing to provide the highest level of service possible, the General fund transferred \$486,634 to the Capital Improvement Fund for future fleet and facility replacement.
- The District has no long term debt except for non-current compensated absences and other post-employment benefit obligations.
- At the current fiscal year end, total fund balance in the Capital Improvement Fund was \$4,477,921 all of which is assigned for future capital acquisitions.

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2020

Overview of the Financial Statements

This discussion is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) 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 District finances, in a manner similar to a private-sector business and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all District assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether or not the District's financial position is improving or deteriorating.

The statement of activities presents information showing how the District'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 (e.g. uncollected taxes and unpaid obligations).

The government-wide financial statement distinguishes District functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities reflect the District's basic services including fire, ambulance and other administrative functions.

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 District, like other units of government, uses fund accounting to ensure compliance with finance-related legal requirements. All of these funds can be divided into two types: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. All of the District's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for use. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between government funds and government activities.

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2020

The District maintains seven individual government funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund (which includes activities of the Ambulance Fund, Rescue Fund, and Operating Reserve Fund), and Capital Improvement Fund which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual schedules elsewhere in the report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside government. Fiduciary Funds are not reflected in the government-wide financial statement because these fund's resources are not available to support the District's own programs. The Firemen's Pension fund is a Fiduciary Component Unit of the District.

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 these basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

Statement of Net Position (000's omitted)

	<u>2020</u>	<u>2019</u>
Assets and Deferred Outflows		
Other Assets:		
Cash and investments	\$ 10,112	\$ 9,688
Prepaid items and other	57	119
Receivables (net of allowance for uncollectibles):		
Interest	41	44
Property taxes	12,656	12,245
Due from other governments	279	-
Miscellaneous	-	-
Capital assets (net of accumulated depreciation)	8,884	9,640
Total Assets	<u>32,032</u>	<u>31,736</u>
Deferred outflows of resources	7,118	6,597
Total assets and deferred outflows	<u>39,149</u>	<u>38,333</u>
Liabilities and Deferred Inflows		
Other Liabilities:		
Accounts payable	147	126
Accrued salaries	169	124
Other liabilities due in one year	729	735
Long term obligations (Pension)	49,209	45,240
Total Liabilities	<u>50,254</u>	<u>46,225</u>
Deferred inflows of resources	12,906	12,558
Total liabilities and deferred inflows	<u>63,160</u>	<u>58,783</u>
Net Position		
Net investment in capital assets	8,885	9,640
Restricted	391	274
Unrestricted	(33,286)	(30,364)
Total net position	<u>(24,011)</u>	<u>(20,450)</u>

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2020

Condensed Statement of Governmental Activities

For the Year Ended May 31, 2020

(000's omitted)

	<u>2020</u>	<u>2019</u>
Revenues:		
Foreign fire insurance	\$ 85	\$ 77
Real estate taxes	12,488	12,187
Replacement Tax	302	275
Interest	626	406
Charges for Service & Grants	1,860	1,525
Miscellaneous	38	38
Total revenues	<u>15,399</u>	<u>14,508</u>
Expenses:		
Operational Expenses	18,960	16,012
Interest	-	-
Total expenses	<u>18,960</u>	<u>16,012</u>
Change in net position	<u>(3,561)</u>	<u>(1,504)</u>
Net position, beginning of year	<u>(20,450)</u>	<u>(13,670)</u>
Change in accounting principle	-	<u>(5,276)</u>
Net position, end of year	<u>(24,011)</u>	<u>(20,450)</u>

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the District's case, liabilities and deferred outflows of resources exceeded assets and deferred inflows of resources by \$20,449,905 at the most recent fiscal year close. In FY 16 GASB 68 required the inclusion of the Pension Fund liabilities on the District's statement of net position.

A portion of the District's net position \$8,884,716 reflects its investments in capital assets (e.g., land, buildings, machinery and equipment, and vehicles). The District uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the District'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, since the capital assets themselves cannot be used to liquidate these liabilities.

In the case of the District, total net position is recorded as \$(24,010,847). The District's total assets and deferred outflows of resources equal \$39,149,312. The District's total liabilities and deferred inflows of resources equals \$63,160,159 with \$37,378,771 representing the net pension liability for the fire pension and IMRF pension plans, and \$10,963,161 representing the liability for the other postemployment benefit plan.

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2020

Governmental activities. The District's net position decreased during the current fiscal year by decreased by \$3,560,847 primarily due to an increase in long-term liabilities due in more than one year. Overall, the District realized a 6.1% increase in revenues coupled with a 18.4% increase in operating expenses.

- Property tax revenues increased from \$12.187 million in FY 19 to \$12.487 million in FY 20 on a 1.9% CPI increase.
- Charges for services and grants increased from \$1.525 million in FY 19 to \$1.860 million in FY 20 due to more grant revenue being received and increased ambulance fee revenue.
- Expenses increased from \$16.012 million in FY 19 to \$18.960 million in FY 20.

Financial Analysis of the District's funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

As of the current fiscal year end, the District's governmental funds reported combined ending fund balances of \$9,809,665 an increase of \$430,286 in comparison with the previous year. 96% (\$9,418,711) of this total amount constitutes unrestricted fund balance (unassigned or assigned), which is available for spending at the District's discretion. The remainder of the fund balance is restricted or non-spendable to indicate that is not available for new spending because it has already been committed for non-spendable pre-paid items of \$57,316 and other restrictions of \$333,638 as identified on page 6 of the audit report.

The General Fund is the District's chief operating fund. At the end of the current fiscal year, the General Fund's unassigned fund balance was \$1,445,287. In addition, the District has assigned fund balance in the General Fund for cash reserves of \$3,495,503. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balances represent 10.5% of total General Fund expenditures. Total fund balances of the General Fund represent 36.0% of total General Fund expenditures.

Fund Balances

At the end of this fiscal, FY20, the General Fund which includes both the General Fund and Ambulance Fund, fund balance increased from \$4.696 million in FY 19 to \$4.941 million in FY 20. This increase in Fund Balance was due to increases in Property Taxes, Charges for Services, Replacement Taxes, and Investment Income. The District's Capital Fund increased from \$4.376 million in FY 19 to \$4.477 million in FY 20. The reason for this increase was a planned increase of reserves based on the District's fleet and facility replacement plan. The District non-major funds had small variances from FY 19 to FY 20 with no major unexpected occurrences during the fiscal year.

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2020

General Fund Budgetary Highlights

Over the course of the year, the District did not revise the annual operating budget. Actual revenues for the General Fund (includes the Corporate, Ambulance and Rescue Funds) came in over budget expectations by 3.6% (including the Pension Fund). The actual expenditures were 3.4% under budget (not including the pension fund). Major expenditure categories of positive budget variance came from insurance, vehicle maintenance and dispatch.

Capital Assets and Debt Administration

Capital assets. At the end of fiscal year 2020, the District had total capital assets (net of accumulated depreciation) of \$8.885 million, invested in a broad range of capital assets including ambulance and fire equipment, buildings, land and equipment. The District maintains a detailed list of capital assets. Total depreciation expense for the year was \$880,085. Additional information on the District's capital assets can be found in Note 5 to the financial statements.

Long-term debt. At the end of the current fiscal year, the District had no outstanding current or long-term debt.

Economic Factors in Next Year's Budgets and Rates

- The state imposed tax cap continues to restrict the revenues needed to fully fund the district operations and discussions continue on a state-wide property tax freeze. Next year the District tax cap will be consumer price index (CPI) of 2.3% which is an increase from the prior year. Pension fund taxes increased this fiscal year, none of which is available for operations but is intended to meet District obligations for unfunded liabilities. Due to the District's commitment to the pension fund, it has surpassed its actuarial determined contribution for the last three years. The vehicle and equipment replacement schedule was funded as needed for future purchases.
- The District continues to charge both residents and non-residents for ambulance service calls. The fee schedules are reviewed periodically to reflect current applicable charges reflective of acceptable rates provided by Medicare.
- Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continued to spread rapidly. The economic impact of the State of Illinois' Executive Order imposing "stay at home" restrictions will be widespread and last for several years. The District is carefully monitoring the situation and evaluating its options for the current year and following year's budgetary position as the situation continues to unfold.

Requests for Information

This financial report is designed to provide a general overview of the Addison Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to, the Addison Fire Protection District #1, 10 S. Addison Road, Addison, Illinois 60101

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF NET POSITION

May 31, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 10,112,838
Receivables (net of allowance for uncollectibles)	
Property taxes	12,655,988
Interest	41,322
Due from other governments	279,572
Prepaid items	57,316
Capital assets not being depreciated	750,000
Capital assets (net of accumulated depreciation)	<u>8,134,716</u>
Total assets	<u>32,031,752</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - Firefighters' Pension Fund	7,033,510
Pension items - IMRF	<u>84,050</u>
Total deferred outflows of resources	<u>7,117,560</u>
Total assets and deferred outflows of resources	<u>39,149,312</u>
LIABILITIES	
Accounts payable	147,328
Accrued payroll	168,516
Long-term liabilities	
Due within one year	728,715
Due in more than one year	<u>49,209,298</u>
Total liabilities	<u>50,253,857</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	12,741,955
Pension items - Firefighters' Pension Fund	61,515
Pension items - IMRF	<u>102,832</u>
Total deferred inflows of resources	<u>12,906,302</u>
Total liabilities and deferred inflows of resources	<u>63,160,159</u>
NET POSITION	
Net investment in capital assets	8,884,716
Restricted for	
Tort liability	148,105
Audit	9,192
Social Security	47,957
IMRF	60,127
Public safety	125,573
Unrestricted (deficit)	<u>(33,286,517)</u>
TOTAL NET POSITION (DEFICIT)	<u><u>\$ (24,010,847)</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2020

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental Activities					
Public safety	\$ 18,960,030	\$ 1,547,014	\$ 313,285	\$ -	\$ (17,099,731)
Total governmental activities	18,960,030	1,547,014	313,285	-	(17,099,731)
TOTAL PRIMARY GOVERNMENT	\$ 18,960,030	\$ 1,547,014	\$ 313,285	\$ -	(17,099,731)
General Revenues					
Taxes					
Property					12,487,858
Replacement					301,568
Foreign fire insurance					85,515
Investment income					625,564
Miscellaneous					38,284
Total					13,538,789
CHANGE IN NET POSITION					(3,560,942)
NET POSITION (DEFICIT), JUNE 1					(20,449,905)
NET POSITION (DEFICIT), MAY 31					<u>\$ (24,010,847)</u>

See accompanying notes to financial statements.

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

May 31, 2020

	General	Capital Improvement	Nonmajor Governmental	Total Governmental Funds
ASSETS				
Cash and investments	\$ 5,296,363	\$ 4,478,679	\$ 337,796	\$ 10,112,838
Receivables				
Property taxes	12,079,678	-	576,310	12,655,988
Interest	41,322	-	-	41,322
Due from other governments	279,572	-	-	279,572
Prepaid items	-	-	57,316	57,316
TOTAL ASSETS	\$ 17,696,935	\$ 4,478,679	\$ 971,422	\$ 23,147,036
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 146,570	\$ 758	\$ -	\$ 147,328
Accrued payroll	168,322	-	194	168,516
Total liabilities	314,892	758	194	315,844
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	12,161,681	-	580,274	12,741,955
Unavailable revenue - intergovernmental	279,572	-	-	279,572
Total deferred inflows of resources	12,441,253	-	580,274	13,021,527
Total liabilities and deferred inflows of resources	12,756,145	758	580,468	13,337,371
FUND BALANCES				
Nonspendable - prepaid items	-	-	57,316	57,316
Restricted				
Tort liability	-	-	90,789	90,789
Audit	-	-	9,192	9,192
Social Security	-	-	47,957	47,957
IMRF	-	-	60,127	60,127
Public safety	-	-	125,573	125,573
Assigned				
Capital improvements	-	4,477,921	-	4,477,921
Cash reserves	3,495,503	-	-	3,495,503
Unassigned	1,445,287	-	-	1,445,287
Total fund balances	4,940,790	4,477,921	390,954	9,809,665
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,696,935	\$ 4,478,679	\$ 971,422	\$ 23,147,036

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

May 31, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,809,665
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 governmental funds	8,884,716
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	279,572
Net pension liability for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(37,298,217)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(80,554)
Other postemployment benefit plan liability for the District is shown as a liability on the statement of net position	(10,963,161)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	6,930,678
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	22,535
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Long-term liabilities at year end consist of	
Compensated absences	<u>(1,596,081)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (24,010,847)</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended May 31, 2020

	General	Capital Improvement	Nonmajor Governmental	Total Governmental Funds
REVENUES				
Property taxes	\$ 11,898,218	\$ -	\$ 589,640	\$ 12,487,858
Personal property replacement taxes	301,568	-	-	301,568
Foreign fire insurance tax	-	-	85,515	85,515
Charges for services	1,547,014	-	-	1,547,014
Intergovernmental	33,713	-	-	33,713
Investment income	625,564	-	-	625,564
Miscellaneous	38,284	-	-	38,284
Total revenues	14,444,361	-	675,155	15,119,516
EXPENDITURES				
Current				
Public safety	13,706,321	-	591,644	14,297,965
Capital outlay	6,229	385,036	-	391,265
Total expenditures	13,712,550	385,036	591,644	14,689,230
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	731,811	(385,036)	83,511	430,286
OTHER FINANCING SOURCES (USES)				
Transfers in	-	486,634	-	486,634
Transfers (out)	(486,634)	-	-	(486,634)
Total other financing sources (uses)	(486,634)	486,634	-	-
NET CHANGE IN FUND BALANCES	245,177	101,598	83,511	430,286
FUND BALANCES, JUNE 1	4,695,613	4,376,323	307,443	9,379,379
FUND BALANCES, MAY 31	\$ 4,940,790	\$ 4,477,921	\$ 390,954	\$ 9,809,665

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended May 31, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 430,286
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	132,899
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	279,572
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(880,085)
Loss on disposal of capital assets	(8,514)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of financial resources	38,775
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of financial resources	(2,244,416)
The change in the other postemployment benefit plan liability and deferred outflows/inflows of resources is not a source or use of financial resources	(1,569,675)
The change in compensated absences payable is shown as an expense on the statement of activities	<u>260,216</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (3,560,942)</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND

May 31, 2020

ASSETS

Investments	
Cash and money market mutual funds	\$ 475,379
Negotiable CDs	100,310
Municipal bonds	2,177,571
U.S. Treasury securities	2,362,274
U.S. agency securities	15,266,951
Corporate bonds	3,141,084
Mutual funds	28,809,585
Exchange traded funds	1,813,619
Receivables	
Accrued interest	<u>167,333</u>
 Total assets	 <u>54,314,106</u>

LIABILITIES

Accounts payable	<u>9,032</u>
 Total liabilities	 <u>9,032</u>

NET POSITION RESTRICTED
FOR PENSIONS

\$ 54,305,074

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND

For the Year Ended May 31, 2020

ADDITIONS

Contributions	
Employer contributions	\$ 3,532,276
Employee contributions	504,265
Other contributions	<u>411</u>
Total contributions	<u>4,036,952</u>
Investment income	
Net appreciation in fair value of investments	3,236,961
Interest	<u>1,557,343</u>
Total investment income	4,794,304
Less investment expense	<u>(58,034)</u>
Net investment income	<u>4,736,270</u>
Total additions	<u>8,773,222</u>

DEDUCTIONS

Pension benefits	4,197,219
Administrative expenses	<u>8,000</u>
Total deductions	<u>4,205,219</u>

NET INCREASE	4,568,003
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**NET POSITION RESTRICTED
FOR PENSIONS**

June 1	<u>49,737,071</u>
May 31	<u><u>\$ 54,305,074</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Addison Fire Protection District #1, Addison, Illinois (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governments (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 reporting principles. The following is a summary of the significant accounting policies of the District.

a. Reporting Entity

The District was created subject to the Fire Protection District Act (70 ILCS 705) to operate a fire protection district in the western suburbs of Illinois. The District was created “to provide the citizenry of the Addison Fire Protection District with professional fire prevention, fire suppression and emergency medical services.”

As required by the accounting principles generally accepted in the United States of America (GAAP), these financial statements present the District and any component units, entities for which the District is considered to be financially accountable. Management has determined that there is one fiduciary component unit that is required to be included in the financial statements of the District as a pension trust fund.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District’s general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of general capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of general long-term debt (debt service funds). The General (Corporate) Fund is used to account for all activities of the government not accounted for in some other fund.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a pension trust fund is used.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 shared revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It is comprised of four subfunds: the General Fund, the Ambulance Fund, the Rescue Fund and the Operating Reserve Fund. The General Fund accounts for the financial resources of the general government, except those accounted for in another fund. The Ambulance Fund accounts for a specific tax levy and charges for services to be used for paying the costs of paramedic ambulance services. Financing is provided by an annual property tax levy and charges to out-of-district and similar users. The Rescue Fund accounts for a specific tax levy to be used for paying wages and other costs for additional emergency personnel. The Operating Reserve Fund accounts for the accumulated reserve balances of the District.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Capital Improvement Fund accounts for funds assigned for major capital construction or acquisitions.

Additionally, the District reports the Firefighters' Pension Fund as a fiduciary component unit to account for the activities of the Firefighters' Pension Fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (generally 60 days). The District recognizes property taxes when they become both measurable and available (collected) in the year intended to finance. Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual are charges for services, replacement taxes and interest on investments.

The District reports unearned/deferred/unavailable revenue on its financial statements. Unearned/deferred/unavailable revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period for governmental funds or earned at the government-wide level. Unearned/deferred/unavailable revenues also arise when resources are received by the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability or deferred inflow of resources for unearned/deferred/unavailable revenue is removed from the financial statements and revenue is recognized.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Investments

Investments of the District's operating funds, other than non-negotiable certificates of deposit, are stated at fair value based on quoted market prices. All other investments which do not consider market rates are stated at cost. Investment income has been allocated to each fund based on investments held by the fund. All investments of the fiduciary fund are reported at fair value.

f. Interfund Receivables/Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of the interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

g. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method. Such amounts are offset by nonspendable fund balance for prepaid items in the fund financial statements.

h. Capital Assets

Capital assets are recorded as expenditures at the time of purchase. Capital assets, which include land, buildings, vehicles and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and training tower	30
Antennas	20
Equipment	7-30
Vehicles	6-20

i. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the fund financial statements, compensated absences are reported as a fund liability for amounts owed to terminated or retired employees. Accumulated unused vacation and sick days are recorded in the government-wide financial statements as an expense and liability of those funds as the benefits accrue to employees. Employees are paid for 25% of unused or accumulated sick days until they have 20 years of service when their employment is severed with the District. After 20 years of service, employees are paid for 100% of their unused or accumulated sick days. The General Fund has been used in prior years to liquidate the liability for compensated absences.

j. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond and note premiums and discounts are deferred and amortized over the life of the related debt using the effective interest method. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, governmental funds recognize bond and note premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as another financing source and premiums are reported as another financing source and discounts are reported as another financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees to both commit fund balance and to rescind a commitment of fund balance. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's Fire Chief. Any residual fund balance of the General Fund is reported as unassigned. Any deficit fund balances in other governmental funds is also reported as unassigned.

The District does not have a formal fund balance policy. Therefore, in accordance with GASB Statement No. 54, the flow of funds uses the default assumption that prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets is the book value of capital assets less any outstanding debt that was issued to construct the capital assets.

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred/unavailable property taxes in this category.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows 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.

2. RECEIVABLE - TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, 2019, 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 the County and issued on or about May 1, 2020, and are payable in two installments, on or about June 1, 2020 and September 1, 2020. The County collects such taxes and remits them periodically. Because the 2019 levy is intended to finance the fiscal year ending May 31, 2021, it has been offset by unavailable/deferred revenue at May 31, 2020. The 2020 tax levy, which attached as an enforceable lien on property as of January 1, 2020, has not been recorded as a receivable as of May 31, 2020, as the tax has not yet been levied by the District and will not be levied until December 2020 and, therefore, the levy is not measurable at May 31, 2020.

3. DEPOSITS AND INVESTMENTS

a. District Investments

The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and agencies, U.S. state and local government bonds, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. District Investments (Continued)

The District maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. In addition, investments are separately held by several of the District's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral held by the custodial bank in the District's name for all bank balances in excess of federal depository insurance.

Investments

The following table presents the investments and maturities of the District's debt securities as of May 31, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. agency securities	\$ 2,168,471	\$ 955,477	\$ 1,212,994	\$ -	\$ -
U.S. Treasury securities	356,649	201,188	155,461	-	-
Corporate bonds	159,380	-	159,380	-	-
Negotiable CDs	6,908,346	1,397,827	5,510,519	-	-
TOTAL	\$ 9,592,846	\$ 2,554,492	\$ 7,038,354	\$ -	\$ -

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The District has the following recurring fair value measurements as of May 31, 2020: The U.S. treasury and agency obligations, corporate bonds and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government including U.S. agencies. The District's investment policy is silent on credit risk. The U.S. agency securities are rated AA+. The corporate bonds and negotiable certificates of deposit are not rated.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. District Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy requires all investments be held by an agent of the District in the District's name.

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. The District's investment policy requires that no more than 40% of assets shall be concentrated in a single instrument or class of instruments other than U.S. Treasury and agency securities.

4. INTERFUND ACTIVITY

a. Transfers

Transfers between other funds for the year ended May 31, 2020 consist of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 486,634
Capital Improvement Fund	486,634	-
TOTAL	<u>\$ 486,634</u>	<u>\$ 486,634</u>

The purposes of the significant transfers are as follows:

- \$486,634 - The General Fund transferred funds to the Capital Improvement Fund for capital improvements. The transfer will not be repaid.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

Capital asset activity for the District for the year ended May 31, 2020 was as follows:

	Balances June 1	Increases	Decreases	Balances May 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 750,000	\$ -	\$ -	\$ 750,000
Total capital assets not being depreciated	750,000	-	-	750,000
Capital assets being depreciated				
Buildings and improvements	12,654,244	28,543	13,099	12,669,688
Vehicles and equipment	6,627,912	104,356	10,875	6,721,393
Total capital assets being depreciated	19,282,156	132,899	23,974	19,391,081
Less accumulated depreciation for				
Buildings	7,649,102	420,001	4,585	8,064,519
Vehicles and equipment	2,742,638	460,084	10,875	3,191,846
Total accumulated depreciation	10,391,740	880,085	15,460	11,256,365
Total capital assets being depreciated, net	8,890,416	(747,186)	8,514	8,134,716
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 9,640,416	\$ (747,186)	\$ 8,514	\$ 8,884,716

Depreciation expense of \$880,085 was charged to the public safety function.

6. LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended May 31, 2020:

	Balances June 1	Additions	Reductions	Balances May 31	Current Portion	Long-Term Portion
GOVERNMENTAL ACTIVITIES						
Compensated absences payable	\$ 1,856,297	\$ 18,229	\$ 278,445	\$ 1,596,081	\$ 239,411	\$ 1,356,670
Other postemployment benefit liability	9,586,460	1,376,701	-	10,963,161	489,304	10,473,857
Net pension liability - Firefighters' Pension Fund	34,201,748	3,096,469	-	37,298,217	-	37,298,217
Net pension liability - IMRF	331,223	-	250,669	80,554	-	80,554
TOTAL GOVERNMENTAL ACTIVITIES	\$ 45,975,728	\$ 4,491,399	\$ 529,114	\$ 49,938,013	\$ 728,715	\$ 49,209,298

All of the above liabilities have been typically liquidated in prior years by the General Fund.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health insurance; and natural disasters. These risks (except workers' compensation and employee health) are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the two prior fiscal years.

The District purchases employee health insurance from an independent third party. For workers' compensation insurance, the District participates in the Illinois Public Risk Fund (the Fund). The Fund is a self-funded workers' compensation pool for public entities. The purpose of the Fund is to provide for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation and Occupational Diseases Laws on behalf of fire protection districts, public entities and agencies and other units of state and local government within the State of Illinois. There are approximately 500 members. A Board of Trustees oversees the operation of the Fund and governs it in accordance with State of Illinois Regulations.

Members' cost is proportional, based on contributions developed by payroll audits. Rates and any discounts approved by the Board of Trustees are used to determine standard premiums for each member. Each member's experience modifications are used. Members also participate in policyholder dividends based on the Fund's and individual member's experience. Members can also be assessed if the assets of the Fund are less than the reserves required to be maintained. The District is not aware of any additional amounts due to the Fund at May 31, 2020.

8. EMPLOYEE RETIREMENT SYSTEMS

The District contributes to two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Firefighters' Pension Plan (collectively called the pension plans) which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. The Firefighters' Pension Plan does not issue a separate report. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The table below is a summary for all pension plans as of and for the year ended May 31, 2020:

	IMRF	Firefighters' Pension	Total
Net pension liability	\$ 80,554	\$ 37,298,217	\$ 37,378,771
Deferred outflows of resources	84,050	7,033,510	7,117,560
Deferred inflows of resources	102,832	61,515	164,347
Pension expense	42,393	5,776,692	5,819,085

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2019 (plan measurement date), IMRF membership consisted of:

Inactive plan members or their beneficiaries	
currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	4
	<hr/>
TOTAL	9
	<hr/>

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

All employees (other than those covered by the Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended May 31, 2020 was 13.38%.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

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

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2019 was 7.25%. 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 the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 1,801,317	\$ 1,470,094	\$ 331,223
Changes for the period			
Service cost	44,875	-	44,875
Interest	128,666	-	128,666
Difference between expected and actual experience	(33,169)	-	(33,169)
Changes in assumptions	-	-	-
Employer contributions	-	86,720	(86,720)
Employee contributions	-	15,063	(15,063)
Net investment income	-	288,804	(288,804)
Benefit payments and refunds	(98,097)	(98,097)	-
Other (net transfer)	-	454	(454)
Net changes	42,275	292,944	(250,669)
BALANCES AT DECEMBER 31, 2019	\$ 1,843,592	\$ 1,763,038	\$ 80,554

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended May 31, 2020, the District recognized pension expense of \$42,393.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At May 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 879	\$ 24,587
Changes in assumption	21,763	-
Net difference between projected and actual earnings on pension plan investments	-	78,245
Contributions made subsequent to the measurement date	61,408	-
TOTAL	<u>\$ 84,050</u>	<u>\$ 102,832</u>

\$61,408 reported as deferred outflows of pensions result from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year
Ending
May 31,

2021	\$ (20,228)
2022	(21,324)
2023	(2,222)
2024	(36,416)
2025	-
Thereafter	-
TOTAL	<u>\$ (80,190)</u>

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 284,072	\$ 80,554	\$ (91,318)

Firefighters' Pension Plan

Plan Administration

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois Legislature. The District accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Board President, one member is elected by pension beneficiaries and two members are elected by active firefighters.

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.

At May 31, 2020, membership consisted of:

Inactive plan members currently receiving benefits	59
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	53
TOTAL	114

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten 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 covered employee 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter 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. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 District is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the District has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. However, the District is funding based on 100% amortization. For the year ended May 31, 2020, the District's contribution was 61.61% of covered payroll.

Investment Policy

The Firefighters' Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veterans' loans, obligation of the State of Illinois and its political subdivision, domestic equity securities and registered mutual funds and Illinois insurance company general and separate accounts.

It is the policy of the Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target (of Category)	Long-Term Expected Real Rate of Return
Fixed Income		
U.S. Treasuries	30.00%	1.40%
U.S. Agencies	50.00%	1.40%
Taxable Municipal Securities	10.00%	1.40%
Corporate Bonds	10.00%	1.40%
Equity		
U.S. Large Cap Stocks	70.00%	6.40%
U.S. Small Cap Stocks	20.00%	8.20%
Foreign Securities	10.00%	6.90%

The long-term expected real rates of return are net of a 2.40% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using the Asset Management and Trust Division of the investment management consultant's proprietary research and analytical tools in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation of 2.40%) were developed for each major asset class. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of May 31, 2020 are listed in the table above.

Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Rate of Return

For the year ended May 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires pledging of collateral held by the custodial bank in the Fund's name for all bank balances in excess of federal depository insurance.

Investments

The following table presents the investments and maturities of the Fund's debt securities as of May 31, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury securities	\$ 2,362,274	\$ 152,180	\$ 1,327,352	\$ 882,742	\$ -
U.S. agency securities	15,266,951	-	3,368,429	11,227,700	670,822
Municipal bonds	2,177,571	115,368	1,342,345	547,518	172,340
Corporate bonds	3,141,084	72,365	3,068,719	-	-
Negotiable CDs	100,310	100,310	-	-	-
TOTAL	\$ 23,048,190	\$ 440,223	\$ 9,106,845	\$ 12,657,960	\$ 843,162

Interest Rate Risk

The Fund has the following recurring fair value measurements as of May 31, 2020: The mutual funds and exchange traded funds are valued using quoted prices (Level 1 inputs). The U.S. Treasury and agency obligations, municipal bonds, corporate bonds and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk (Continued)

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 Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in United States Government and securities issued by certain agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government along with municipal bonds and investment grade corporate bonds. The agency securities are rated AA+. The municipal bonds are rated AA to AAA. The corporate bonds are rated BBB+ to AAA. The negotiable CDs are not rated. The Fund investment policy does not address credit risk.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund investment policy limits its exposure to custodial risk by utilizing an independent, third party institution to act as custodian for its securities.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JUNE 1, 2019	\$ 83,938,819	\$ 49,737,071	\$ 34,201,748
Changes for the period			
Service cost	1,224,652	-	1,224,652
Interest	5,728,815	-	5,728,815
Difference between expected and actual experience	1,620,185	-	1,620,185
Changes in assumptions	2,841,937	-	2,841,937
Changes in benefit terms	446,102	-	446,102
Employer contributions	-	3,532,276	(3,532,276)
Employee contributions	-	504,265	(504,265)
Other contributions	-	411	(411)
Net investment income	-	4,736,270	(4,736,270)
Benefit payments and refunds	(4,197,219)	(4,197,219)	-
Administrative expense	-	(8,000)	8,000
Net changes	7,664,472	4,568,003	3,096,469
BALANCES AT MAY 31, 2020	\$ 91,603,291	\$ 54,305,074	\$ 37,298,217

Changes in assumptions related to the projected individual pay increases, projected total payroll increases, inflation rate (CPI-U), mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates were made since the previous measurement date. In addition, there were changes in benefit terms related to Tier II benefits that were effective January 1, 2020.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 31, 2020 using the following actuarial methods and assumptions.

Actuarial valuation date	May 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	3.25% to 14.35%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Fair Value

Mortality rates were based on a 2020 experience study performed by the actuary.

Discount Rate

The discount rate used to measure the total pension liability was 7%. 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 the District contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' 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 net pension liability of the Firefighters' Pension Plan calculated using the discount rate of 7% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 49,854,425	\$ 37,298,217	\$ 27,001,579

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended May 31, 2020, the District recognized pension expense of \$5,776,692.

At May 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,772,190	\$ -
Changes in assumption	3,198,424	61,515
Net difference between projected and actual earnings on pension plan investments	62,896	-
TOTAL	\$ 7,033,510	\$ 61,515

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

Fiscal Year Ending May 31,	
2021	\$ 1,767,451
2022	1,838,902
2023	1,517,622
2024	781,733
2025	679,167
Thereafter	<u>387,120</u>
TOTAL	<u>\$ 6,971,995</u>

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contract, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

The District provides postemployment health care to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the District's retirement plans with 20 years of creditable service. The District provides an explicit premium subsidy to certain retirees and healthcare access to other retired members provided the member pays 50% of the blended premium. All healthcare benefits are provided through the District's insured health plan. The benefits levels are similar to those afforded to active employees. Upon a participant reaching the age of 65, Medicare becomes the primary insurer and the District's plan becomes secondary. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the District is required to pay 100% of the cost of basic health insurance for the employee and their dependents until the employee is Medicare eligible.

c. Membership

At June 1, 2018 (the latest actuarial valuation date), membership consisted of:

Retirees and beneficiaries currently receiving benefits	24
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>51</u>
TOTAL	<u><u>75</u></u>
 Participating employers	 <u><u>1</u></u>

d. Total OPEB Liability

The District's total OPEB liability of \$10,963,161 was measured as of May 31, 2020 and was determined by an actuarial valuation as of June 1, 2018.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at May 31, 2020, as determined by an actuarial valuation as of June 1, 2018, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to May 31, 2020, including updating the discount rate at May 31, 2020, as noted below.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs (Continued)

Actuarial cost method	Entry-age
Actuarial value of assets	Not applicable
Salary Increases	3.25%
Discount rate	2.16%
Healthcare cost trend rates	6.42% to 6.96% Initial 5.00% Ultimate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the assumption section is the May 28, 2020. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JUNE 1, 2019	<u>\$ 9,586,460</u>
Changes for the period	
Service cost	357,325
Interest	327,839
Changes in assumptions	1,180,841
Benefit payments	<u>(489,304)</u>
Net changes	<u>1,376,701</u>
BALANCES AT MAY 31, 2020	<u><u>\$ 10,963,161</u></u>

Changes in assumptions related to the discount rate were made since the previous measurement period.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 2.16% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 12,027,187	\$ 10,963,161	\$ 10,036,929

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 6.42% to 6.96% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5.42% to 5.96%) or 1 percentage point higher (7.42% to 7.96%) than the current rate:

	1% Decrease (5.42% to 5.96%)	Current Healthcare Rate (6.42% to 6.96%)	1% Increase (7.42% to 7.96%)
Total OPEB liability	\$ 9,611,790	\$ 10,963,161	\$ 12,562,139

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

For the year ended May 31, 2020, the District recognized OPEB expense of \$2,058,979. Under GASB Statement No. 75, plans that qualify for the Alternative Measurement Method, changes to the OPEB liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

REQUIRED SUPPLEMENTARY INFORMATION

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 12,018,801	\$ 11,898,218	\$ (120,583)
Personal property replacement taxes	225,000	301,568	76,568
Charges for services	1,462,000	1,547,014	85,014
Intergovernmental	50,000	33,713	(16,287)
Investment income	147,250	625,564	478,314
Miscellaneous	39,110	38,284	(826)
Total revenues	13,942,161	14,444,361	502,200
EXPENDITURES			
Current			
Public safety			
Administrative	347,968	240,111	(107,857)
Wages	7,012,521	6,520,695	(491,826)
Pension contributions	2,726,156	3,532,276	806,120
Operational - miscellaneous	1,403,339	956,370	(446,969)
Paramedic services	586,577	573,557	(13,020)
Buildings and grounds	233,600	170,928	(62,672)
Insurance	1,875,000	1,712,384	(162,616)
Capital outlay	7,000	6,229	(771)
Total expenditures	14,192,161	13,712,550	(479,611)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(250,000)	731,811	981,811
OTHER FINANCING SOURCES (USES)			
Transfers in	2,200	-	(2,200)
Transfers (out)	-	(486,634)	(486,634)
Total other financing sources (uses)	2,200	(486,634)	(488,834)
NET CHANGE IN FUND BALANCE	<u>\$ (247,800)</u>	245,177	<u>\$ 492,977</u>
FUND BALANCE, JUNE 1		<u>4,695,613</u>	
FUND BALANCE, MAY 31		<u>\$ 4,940,790</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2020

1. BUDGETS

The amounts presented in the budget column in the report are the operating budget, which agrees to the appropriation, for the year ended May 31, 2020.

2. BUDGETARY PROCEDURES

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Fire Chief submits to the District Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them for the General Fund, Special Revenue Fund, Capital Improvement Fund and the Pension Trust Fund.
- b. Public hearings are conducted by the District to obtain taxpayer comments.
- c. The appropriation is subsequently legally enacted through the passages of the ordinance.
- d. The Fire Chief is authorized to transfer appropriated amounts between departments within funds with proper Board of Trustees approval. The legal level of control is considered to be the fund level.
- e. Formal appropriation integration is employed as a management control device during the year. The appropriations are adopted on a basis consistent with GAAP.
- f. Appropriated amounts are as originally adopted.

3. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

There were no funds that had an excess of actual expenditures over budget for the fiscal year.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED MAY 31,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 37,297	\$ 39,008	\$ 57,480	\$ 53,941	\$ 31,168
Contribution in relation to the actuarially determined contribution	37,297	39,008	57,480	53,941	31,168
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional voluntary contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Covered payroll	\$ 301,106	\$ 298,243	\$ 391,467	\$ 393,631	\$ 233,024
Contributions as a percentage of covered payroll	12.39%	13.08%	14.68%	13.70%	13.38%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.25% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 38,857	\$ 38,693	\$ 33,671	\$ 41,033	\$ 44,875
Interest	106,496	116,582	121,234	124,161	128,666
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	55,563	(10,167)	9,653	1,851	(33,169)
Changes of assumptions	28,186	(43,210)	(37,287)	45,803	-
Benefit payments, including refunds of member contributions	(30,298)	(86,614)	(90,879)	(92,986)	(98,097)
Net change in total pension liability	198,804	15,284	36,392	119,862	42,275
Total pension liability - beginning	1,430,975	1,629,779	1,645,063	1,681,455	1,801,317
TOTAL PENSION LIABILITY - ENDING	\$ 1,629,779	\$ 1,645,063	\$ 1,681,455	\$ 1,801,317	\$ 1,843,592
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 34,506	\$ 35,206	\$ 99,925	\$ 114,656	\$ 86,720
Contributions - member	13,550	13,181	15,844	18,479	15,063
Net investment income	6,299	95,288	234,710	(93,447)	288,804
Benefit payments, including refunds of member contributions	(30,298)	(86,614)	(90,879)	(92,986)	(98,097)
Other	(65,838)	(9,049)	(23,766)	30,395	454
Net change in plan fiduciary net position	(41,781)	48,012	235,834	(22,903)	292,944
Plan fiduciary net position - beginning	1,250,932	1,209,151	1,257,163	1,492,997	1,470,094
PLAN FIDUCIARY NET POSITION - ENDING	\$ 1,209,151	\$ 1,257,163	\$ 1,492,997	\$ 1,470,094	\$ 1,763,038
EMPLOYER'S NET PENSION LIABILITY	\$ 420,628	\$ 387,900	\$ 188,458	\$ 331,223	\$ 80,554
Plan fiduciary net position as a percentage of the total pension liability	74.19%	76.42%	88.79%	81.61%	95.63%
Covered payroll	\$ 301,106	\$ 292,900	\$ 352,084	\$ 410,643	\$ 334,731
Employer's net pension liability as a percentage of covered payroll	139.69%	132.43%	53.53%	80.66%	24.07%

2018: Changes in assumptions related to the discount rate were made since the prior measurement date.

2017: Changes in assumptions related to inflation rates, salary rates and mortality were made since the prior measurement date.

2016: Changes in assumptions related to retirement age, mortality and the discount rate were made since the prior measurement date.

2015: Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED MAY 31,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,855,680	\$ 1,940,455	\$ 2,045,213	\$ 2,434,889	\$ 2,666,557	\$ 2,838,545
Contribution in relation to the actuarially determined contribution	1,681,984	1,971,893	2,592,620	3,205,056	3,381,338	3,532,276
CONTRIBUTION DEFICIENCY (Excess)	\$ 173,696	\$ (31,438)	\$ (547,407)	\$ (770,167)	\$ (714,781)	\$ (693,731)
Covered payroll	\$ 4,785,045	\$ 4,665,296	\$ 4,894,331	\$ 5,065,633	\$ 5,247,239	\$ 5,733,231
Contributions as a percentage of covered payroll	35.15%	42.27%	52.97%	63.27%	64.44%	61.61%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of June 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 22 years; the asset valuation method was at five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 3.50% to 14.60% plus 2.50% for inflation compounded annually and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND**

Last Six Fiscal Years

MEASUREMENT DATE MAY 31,	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY						
Service cost	\$ 1,134,726	\$ 1,079,139	\$ 1,150,663	\$ 1,231,209	\$ 1,224,187	\$ 1,224,652
Interest	4,416,114	4,566,004	4,927,593	5,217,036	5,390,567	5,728,815
Changes of benefit terms	-	-	-	-	-	446,102
Differences between expected and actual experience	-	19,232	2,047,017	14,570	2,335,936	1,620,185
Changes of assumptions	-	3,137,430	(149,403)	-	-	2,841,937
Benefit payments, including refunds of member contributions	(3,301,009)	(3,518,146)	(3,754,302)	(3,927,636)	(4,039,954)	(4,197,219)
Net change in total pension liability	2,249,831	5,283,659	4,221,568	2,535,179	4,910,736	7,664,472
Total pension liability - beginning	64,737,846	66,987,677	72,271,336	76,492,904	79,028,083	83,938,819
TOTAL PENSION LIABILITY - ENDING	\$ 66,987,677	\$ 72,271,336	\$ 76,492,904	\$ 79,028,083	\$ 83,938,819	\$ 91,603,291
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 1,681,984	\$ 1,971,893	\$ 2,592,620	\$ 3,205,056	\$ 3,381,338	\$ 3,532,276
Contributions - member	435,154	452,947	458,538	476,836	482,322	504,265
Contributions- other	-	-	-	-	-	411
Net investment income	2,239,373	87,984	4,051,041	3,466,849	1,070,466	4,736,270
Benefit payments, including refunds of member contributions	(3,301,011)	(3,518,146)	(3,754,302)	(3,927,636)	(4,039,954)	(4,197,219)
Administrative expense	(41,969)	(71,692)	(40,884)	(8,000)	(15,301)	(8,000)
Net change in plan fiduciary net position	1,013,531	(1,077,014)	3,307,013	3,213,105	878,871	4,568,003
Plan fiduciary net position - beginning	42,401,565	43,415,096	42,338,082	45,645,095	48,858,200	49,737,071
PLAN FIDUCIARY NET POSITION - ENDING	\$ 43,415,096	\$ 42,338,082	\$ 45,645,095	\$ 48,858,200	\$ 49,737,071	\$ 54,305,074
EMPLOYER'S NET PENSION LIABILITY	\$ 23,572,581	\$ 29,933,254	\$ 30,847,809	\$ 30,169,883	\$ 34,201,748	\$ 37,298,217
Plan fiduciary net position as a percentage of the total pension liability	64.81%	58.58%	59.67%	61.82%	59.25%	59.28%
Covered payroll	\$ 4,785,045	\$ 4,665,296	\$ 4,894,331	\$ 5,065,633	\$ 5,247,239	\$ 5,733,231
Employer's net pension liability as a percentage of covered payroll	492.63%	371.00%	630.28%	595.58%	651.80%	650.56%

In 2020, assumptions were changed related to the projected individual pay increases, projected total payroll increases, inflation rate (CPI-U), mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates. There were also changes of benefit terms related to tier two benefits.

In 2017, assumptions were changed related to mortality rates, disability rates, turnover rates and retirement rates.

In 2016, assumptions were changed related to mortality rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Six Fiscal Years

FISCAL YEAR ENDED MAY 31,	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	6.54%	0.19%	9.55%	7.59%	2.16%	9.38%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Two Fiscal Years

MEASUREMENT DATE MAY 31,	2019	2020
TOTAL OPEB LIABILITY		
Service cost	\$ 331,531	\$ 357,325
Interest	337,433	327,839
Differences between expected and actual experience	-	-
Changes of assumptions	218,670	1,180,841
Benefit payments	(456,582)	(489,304)
Net change in total OPEB liability	431,052	1,376,701
Total OPEB liability - beginning	9,155,408	9,586,460
TOTAL OPEB LIABILITY - ENDING	\$ 9,586,460	\$ 10,963,161
Covered payroll	\$ 5,551,598	\$ 5,732,025
Employer's total OPEB liability as a percentage of covered payroll	172.68%	191.26%

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

2020 and 2019: Changes related to the discount rate were made since the previous measurement period.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**COMBINING BALANCE SHEET BY SUBFUND
GENERAL FUND**

May 31, 2020

	Corporate	Ambulance	Rescue	Operating Reserve	Total
ASSETS					
Cash and investments	\$ 1,601,415	\$ 193,469	\$ 5,976	\$ 3,495,503	\$ 5,296,363
Receivables					
Property taxes	7,156,639	4,326,638	596,401	-	12,079,678
Interest	41,322	-	-	-	41,322
Due from other governments	139,786	139,786	-	-	279,572
TOTAL ASSETS	\$ 8,939,162	\$ 4,659,893	\$ 602,377	\$ 3,495,503	\$ 17,696,935
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 49,955	\$ 96,615	\$ -	\$ -	\$ 146,570
Accrued payroll	84,161	84,161	-	-	168,322
Total liabilities	134,116	180,776	-	-	314,892
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	7,205,288	4,356,064	600,329	-	12,161,681
Unavailable revenue - intergovernmental	139,786	139,786	-	-	279,572
Total deferred inflows of resources	7,345,074	4,495,850	600,329	-	12,441,253
Total liabilities and deferred inflows of resources	7,479,190	4,676,626	600,329	-	12,756,145
FUND BALANCES					
Assigned					
Cash reserves	-	-	-	3,495,503	3,495,503
Unassigned (deficit)	1,459,972	(16,733)	2,048	-	1,445,287
Total fund balances (deficit)	1,459,972	(16,733)	2,048	3,495,503	4,940,790
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,939,162	\$ 4,659,893	\$ 602,377	\$ 3,495,503	\$ 17,696,935

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY SUBFUND
GENERAL FUND

For the Year Ended May 31, 2020

	Corporate	Ambulance	Rescue
REVENUES			
Property taxes	\$ 6,935,104	\$ 4,378,547	\$ 584,567
Replacement taxes	301,568	-	-
Charges for services	168,219	1,378,795	-
Intergovernmental	33,713	-	-
Investment income	625,564	-	-
Miscellaneous	21,347	16,937	-
Total revenues	8,085,515	5,774,279	584,567
EXPENDITURES			
Current			
Public safety			
Administrative	112,980	127,131	-
Wages	3,482,872	2,924,957	-
Pension contributions	2,619,662	912,614	-
Operational - miscellaneous	236,715	719,655	-
Paramedic services	-	-	573,557
Buildings and grounds	84,100	86,828	-
Insurance	856,192	856,192	-
Capital outlay	-	-	6,229
Total expenditures	7,392,521	5,627,377	579,786
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	692,994	146,902	4,781
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(486,634)	-	-
Total other financing sources (uses)	(486,634)	-	-
NET CHANGE IN FUND BALANCES	206,360	146,902	4,781
FUND BALANCES (DEFICIT), JUNE 1	1,253,612	(163,635)	(2,733)
FUND BALANCES (DEFICIT), MAY 31	\$ 1,459,972	\$ (16,733)	\$ 2,048

Operating Reserve	Eliminations	Total	
\$ -	\$ -	\$ 11,898,218	
-	-	301,568	
-	-	1,547,014	
-	-	33,713	
-	-	625,564	
-	-	38,284	
-	-	14,444,361	
-	-	240,111	
112,866	-	6,520,695	
-	-	3,532,276	
-	-	956,370	
-	-	573,557	
-	-	170,928	
-	-	1,712,384	
-	-	6,229	
112,866	-	13,712,550	
(112,866)	-	731,811	
-	-	(486,634)	
-	-	(486,634)	
(112,866)	-	245,177	
3,608,369	-	4,695,613	
\$ 3,495,503	\$ -	\$ 4,940,790	

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL SUBFUND**

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 7,038,623	\$ 6,935,104	\$ (103,519)
Replacement taxes	225,000	301,568	76,568
Charges for services	182,000	168,219	(13,781)
Intergovernmental	50,000	33,713	(16,287)
Investment income	147,250	625,564	478,314
Miscellaneous	15,000	21,347	6,347
Total revenues	7,657,873	8,085,515	427,642
EXPENDITURES			
Current			
Public safety			
Administrative	155,700	112,980	(42,720)
Wages	3,366,456	3,482,872	116,416
Pension contributions	2,670,022	2,619,662	(50,360)
Operational - miscellaneous			
Photography	1,000	-	(1,000)
Communication	17,700	15,306	(2,394)
Hydrant and opticom	20,000	14,263	(5,737)
Fire prevention	8,500	8,296	(204)
Equipment repairs	2,000	2,205	205
Fire investigation	650	-	(650)
Conference and travel	27,500	14,842	(12,658)
Dive team	7,000	165	(6,835)
Medical equipment supplies	8,000	9,531	1,531
Fire extinguishers	3,100	1,154	(1,946)
Ladders	3,000	758	(2,242)
SCBA	11,500	6,033	(5,467)
Public education	13,245	9,519	(3,726)
Vehicle repair and parts	148,750	70,428	(78,322)
Vehicle operating	44,000	24,537	(19,463)
TRS	4,500	438	(4,062)
Firefighting equipment	6,050	5,297	(753)
Training	46,500	19,575	(26,925)
Fire hose	6,000	2,500	(3,500)
Turnout gear	-	1,127	1,127
Uniforms	29,000	28,361	(639)
Hazmat team	7,000	2,380	(4,620)
Audit	3,000	-	(3,000)
Buildings and grounds	106,700	84,100	(22,600)
Insurance	937,500	856,192	(81,308)
Capital outlay	3,500	-	(3,500)
Total expenditures	7,657,873	7,392,521	(265,352)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	692,994	692,994
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(486,634)	(486,634)
Total other financing sources (uses)	-	(486,634)	(486,634)
NET CHANGE IN FUND BALANCE	\$ -	206,360	\$ 206,360
FUND BALANCE, JUNE 1		1,253,612	
FUND BALANCE, MAY 31		\$ 1,459,972	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
AMBULANCE SUBFUND

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 4,393,601	\$ 4,378,547	\$ (15,054)
Charges for services	1,280,000	1,378,795	98,795
Miscellaneous	24,110	16,937	(7,173)
Total revenues	5,697,711	5,774,279	76,568
EXPENDITURES			
Current			
Public safety			
Administrative	192,268	127,131	(65,137)
Wages	3,396,065	2,924,957	(471,108)
Pension contributions	56,134	912,614	856,480
Operational - miscellaneous			
Photography	1,000	-	(1,000)
Communication	14,500	8,010	(6,490)
Dispatch services	250,000	213,713	(36,287)
IT contractual services	180,000	168,790	(11,210)
Equipment repairs	18,500	5,495	(13,005)
Conference and travel	27,500	14,244	(13,256)
Operational - miscellaneous	5,202	119	(5,083)
Medical equipment supplies	22,600	17,619	(4,981)
SCBA	3,539	2,126	(1,413)
Public education	10,500	7,738	(2,762)
Vehicle repair and parts	64,500	41,033	(23,467)
Vehicle operating	44,000	20,367	(23,633)
Training	33,300	13,341	(19,959)
Firefighting equipment	50,050	64,200	14,150
EMS billing fees	60,000	53,931	(6,069)
Turnout gear	60,032	5,798	(54,234)
Information technology	86,000	42,822	(43,178)
Uniforms	45,121	34,644	(10,477)
Audit	9,000	5,665	(3,335)
Buildings and grounds	126,900	86,828	(40,072)
Insurance	937,500	856,192	(81,308)
Capital outlay	3,500	-	(3,500)
Total expenditures	5,697,711	5,627,377	(70,334)
NET CHANGE IN FUND BALANCE	\$ -	146,902	\$ 146,902
FUND BALANCE (DEFICIT), JUNE 1		(163,635)	
FUND BALANCE (DEFICIT), MAY 31		\$ (16,733)	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
RESCUE SUBFUND

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 586,577	\$ 584,567	\$ (2,010)
Total revenues	586,577	584,567	(2,010)
EXPENDITURES			
Current			
Public safety			
Paramedic services	586,577	573,557	(13,020)
Capital outlay	-	6,229	6,229
Total expenditures	586,577	579,786	(6,791)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	4,781	<u>\$ 4,781</u>
FUND BALANCE (DEFICIT), JUNE 1		<u>(2,733)</u>	
FUND BALANCE, MAY 31		<u>\$ 2,048</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
OPERATING RESERVE SUBFUND**

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Wages	250,000	112,866	(137,134)
Total expenditures	250,000	112,866	(137,134)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(250,000)	(112,866)	137,134
OTHER FINANCING SOURCES (USES)			
Transfers in	2,200	-	(2,200)
Total other financing sources (uses)	2,200	-	(2,200)
NET CHANGE IN FUND BALANCE	<u>\$ (247,800)</u>	(112,866)	<u>\$ 134,934</u>
FUND BALANCE, JUNE 1		<u>3,608,369</u>	
FUND BALANCE, MAY 31		<u>\$ 3,495,503</u>	

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**BALANCE SHEET
CAPITAL IMPROVEMENT FUND**

May 31, 2020

ASSETS	
Cash and investments	\$ 4,478,679
Prepaid items	<u>-</u>
TOTAL ASSETS	<u><u>\$ 4,478,679</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ 758</u>
Total liabilities	<u>758</u>
FUND BALANCE	
Nonspendable	-
Assigned	
Capital improvements	<u>4,477,921</u>
Total fund balance	<u>4,477,921</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 4,478,679</u></u>

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND**

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Capital outlay	590,000	385,036	(204,964)
Total expenditures	590,000	385,036	(204,964)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(590,000)	(385,036)	204,964
OTHER FINANCING SOURCES (USES)			
Transfers in	4,300	486,634	482,334
Total other financing sources (uses)	4,300	486,634	482,334
NET CHANGE IN FUND BALANCE	\$ (585,700)	101,598	\$ 687,298
FUND BALANCE, JUNE 1		4,376,323	
FUND BALANCE, MAY 31		\$ 4,477,921	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Tort Liability Fund - used to account for the expenditures restricted for liability, property, accident and sickness insurance expenditures. Financing provided by a tax levy.

Audit Fund - used to account for the expenditures restricted to the annual audit of the District's records and accounts. Financing is provided by a property tax levy.

Social Security Fund - used to account for the expenditures restricted to the employer's portion of the Social Security and Medicare benefits. Financing is provided by a property tax levy.

Illinois Municipal Retirement Fund - used to account for the expenditures restricted to the employers matching portion of the IMRF benefits. Financing is provided by a property tax levy.

Foreign Fire Insurance Fund - used to account for revenues from the assessment of the foreign fire tax remitted directly to this fund, which maintains a separate bank account. Its own Board of Trustees controls the expenditures from this fund. Those expenditures, however, are to be used for the benefit of the District.

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

May 31, 2020

	Special Revenue					Total Nonmajor Governmental
	Tort Liability	Audit	Social Security	Illinois Municipal Retirement	Foreign Fire Insurance	
ASSETS						
Cash and investments	\$ 93,525	\$ 9,346	\$ 48,775	\$ 60,383	\$ 125,767	\$ 337,796
Receivables						
Property taxes	398,375	25,250	124,863	27,822	-	576,310
Prepaid items	57,316	-	-	-	-	57,316
TOTAL ASSETS	\$ 549,216	\$ 34,596	\$ 173,638	\$ 88,205	\$ 125,767	\$ 971,422
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 194	\$ 194
Total liabilities	-	-	-	-	194	194
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	401,111	25,404	125,681	28,078	-	580,274
Total deferred inflows of resources	401,111	25,404	125,681	28,078	-	580,274
Total liabilities and deferred inflows of resources	401,111	25,404	125,681	28,078	194.00	580,468
FUND BALANCES						
Nonspendable	57,316	-	-	-	-	57,316
Restricted						
Tort liability	90,789	-	-	-	-	90,789
Audit	-	9,192	-	-	-	9,192
Social Security	-	-	47,957	-	-	47,957
IMRF	-	-	-	60,127	-	60,127
Public safety	-	-	-	-	125,573	125,573
Total fund balances	148,105	9,192	47,957	60,127	125,573	390,954
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 549,216	\$ 34,596	\$ 173,638	\$ 88,205	\$ 125,767	\$ 971,422

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended May 31, 2020

	Special Revenue					Total Nonmajor Governmental
	Tort Liability	Audit	Social Security	Illinois Municipal Retirement	Foreign Fire Insurance	
REVENUES						
Property taxes	\$ 407,042	\$ 22,825	\$ 121,732	\$ 38,041	\$ -	\$ 589,640
Foreign fire insurance tax	-	-	-	-	85,515	85,515
Total revenues	407,042	22,825	121,732	38,041	85,515	675,155
EXPENDITURES						
Current						
Public safety						
Insurance	335,089	-	-	-	-	335,089
Audit	-	19,290	-	-	-	19,290
Social Security	-	-	23,882	-	-	23,882
Medicare	-	-	87,382	-	-	87,382
IMRF	-	-	-	31,168	-	31,168
Operational - miscellaneous	-	-	-	-	94,833	94,833
Total expenditures	335,089	19,290	111,264	31,168	94,833	591,644
NET CHANGE IN FUND BALANCES	71,953	3,535	10,468	6,873	(9,318)	83,511
FUND BALANCES, JUNE 1	76,152	5,657	37,489	53,254	134,891	307,443
FUND BALANCES, MAY 31	\$ 148,105	\$ 9,192	\$ 47,957	\$ 60,127	\$ 125,573	\$ 390,954

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TORT LIABILITY INSURANCE FUND

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 408,441	\$ 407,042	\$ (1,399)
Total revenues	408,441	407,042	(1,399)
EXPENDITURES			
Current			
Public safety			
Insurance	408,441	335,089	(73,352)
Total expenditures	408,441	335,089	(73,352)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	71,953	<u>\$ 71,953</u>
FUND BALANCE, JUNE 1		<u>76,152</u>	
FUND BALANCE, MAY 31		<u>\$ 148,105</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND

For the Year Ended May 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Property taxes	\$ 22,903	\$ 22,825	\$ (78)
Total revenues	<u>22,903</u>	<u>22,825</u>	<u>(78)</u>
EXPENDITURES			
Current			
Public safety			
Audit	<u>22,903</u>	<u>19,290</u>	<u>(3,613)</u>
Total expenditures	<u>22,903</u>	<u>19,290</u>	<u>(3,613)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>3,535</u>	<u>\$ 3,535</u>
FUND BALANCE, JUNE 1		<u>5,657</u>	
FUND BALANCE, MAY 31		<u>\$ 9,192</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
<hr/>			
REVENUES			
Property taxes	\$ 122,151	\$ 121,732	\$ (419)
Total revenues	122,151	121,732	(419)
<hr/>			
EXPENDITURES			
Current			
Public safety			
Social Security	52,151	23,882	(28,269)
Medicare	70,000	87,382	17,382
Total expenditures	122,151	111,264	(10,887)
<hr/>			
NET CHANGE IN FUND BALANCE	\$ -	10,468	\$ 10,468
<hr/>			
FUND BALANCE, JUNE 1		37,489	
<hr/>			
FUND BALANCE, MAY 31		\$ 47,957	
<hr/>			

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended May 31, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 38,172	\$ 38,041	\$ (131)
Total revenues	<u>38,172</u>	<u>38,041</u>	<u>(131)</u>
EXPENDITURES			
Current			
Public safety			
IMRF	<u>38,172</u>	<u>31,168</u>	<u>(7,004)</u>
Total expenditures	<u>38,172</u>	<u>31,168</u>	<u>(7,004)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>6,873</u>	<u>\$ 6,873</u>
FUND BALANCE, JUNE 1		<u>53,254</u>	
FUND BALANCE, MAY 31		<u>\$ 60,127</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND**

For the Year Ended May 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Foreign fire insurance tax	\$ 50,000	\$ 85,515	\$ 35,515
Total revenues	<u>50,000</u>	<u>85,515</u>	<u>35,515</u>
EXPENDITURES			
Current			
Public safety			
Operational - miscellaneous	<u>100,000</u>	<u>94,833</u>	<u>(5,167)</u>
Total expenditures	<u>100,000</u>	<u>94,833</u>	<u>(5,167)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (50,000)</u>	<u>(9,318)</u>	<u>\$ 40,682</u>
FUND BALANCE, JUNE 1		<u>134,891</u>	
FUND BALANCE, MAY 31		<u>\$ 125,573</u>	

(See independent auditor's report.)

SUPPLEMENTAL INFORMATION

ADDISON FIRE PROTECTION DISTRICT #1

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended April 30, 2020

CSFA Number	Program Name	State	Federal	Other	Total
	Other grant programs and activities	\$ 33,713	\$ 279,572	\$ -	\$ 313,285
	All other costs not allocated	-	-	18,646,745	18,646,745
	TOTALS	<u>\$ 33,713</u>	<u>\$ 279,572</u>	<u>\$ 18,646,745</u>	<u>\$ 18,960,030</u>

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Addison Fire Protection District #1's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	66-73
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the sales tax.	74-79
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	80-82
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	83-84
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	85-87

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 6,400,604	\$ 5,957,971	\$ 6,632,122	\$ 7,539,458
Restricted				
Tort liability	-	282,661	237,928	46,403
Audit	-	6,519	6,017	5,790
Social Security	-	8,547	16,872	14,939
IMRF	-	15,062	19,316	27,574
Public safety	-	73,551	104,401	98,867
Net pension asset	-	734,019	-	-
Unrestricted	4,910,139	5,851,070	6,148,724	5,026,192
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,310,743	\$ 12,929,400	\$ 13,165,380	\$ 12,759,223

Note: The District implemented GASB Statement No. 68 in 2016 and GASB Statement No. 75 in 2019.

Data Source

Audited Financial Statements

2015	2016	2017	2018	2019	2020
<hr/>					
\$ 8,824,749	\$ 10,699,464	\$ 10,413,388	\$ 10,205,562	\$ 9,640,416	\$ 8,884,716
-	-	-	50,597	42,364	148,105
10,125	8,341	484	1,953	5,657	9,192
18,936	15,005	13,907	27,460	37,489	47,957
37,054	46,234	55,107	48,180	53,254	60,127
77,908	81,131	34,770	94,738	134,891	125,573
-	-	-	-	-	-
4,853,627	(22,095,983)	(22,891,982)	(24,098,910)	(30,363,976)	(33,286,517)
<hr/>					
\$ 13,822,399	\$ (11,245,808)	\$ (12,374,326)	\$ (13,670,420)	\$ (20,449,905)	\$ (24,010,847)
<hr/>					

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
EXPENSES				
Governmental activities				
Public safety	\$ 11,599,795	\$ 11,458,835	\$ 11,759,697	\$ 13,045,241
General government	306,211	-	-	-
Health and welfare	109,773	-	-	-
Interest	5,043	-	-	1,351
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 12,020,822	\$ 11,458,835	\$ 11,759,697	\$ 13,046,592
PROGRAM REVENUES				
Governmental activities				
Charges for services	\$ 832,107	\$ 907,472	\$ 1,155,768	\$ 1,156,318
Operating grants and contributions	171,452	424,890	296,797	39,100
Capital grants and contributions	43,150	-	-	-
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 1,046,709	\$ 1,332,362	\$ 1,452,565	\$ 1,195,418
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	\$ (10,974,113)	\$ (10,126,473)	\$ (10,307,132)	\$ (11,851,174)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 9,826,789	\$ 10,132,733	\$ 10,282,754	\$ 10,510,709
Replacement	288,377	256,366	271,209	284,236
Intergovernmental - foreign fire insurance	58,405	55,518	64,786	64,682
Investment income	96,823	39,194	79,346	65,769
Health insurance reimbursement	199,724	-	-	-
Workers insurance benefits collected	20,338	-	-	-
Miscellaneous	47,545	544,362	427,766	466,024
Total governmental activities	10,538,001	11,028,173	11,125,861	11,391,420
TOTAL PRIMARY GOVERNMENT	\$ 10,538,001	\$ 11,028,173	\$ 11,125,861	\$ 11,391,420
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (436,112)	\$ 901,700	\$ 818,729	\$ (459,754)

Note: Functional expense reporting change in the fiscal year ended May 31, 2012.

Data Source

Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 12,356,260	\$ 14,090,929	\$ 15,005,656	\$ 15,193,153	\$ 16,011,980	\$ 18,960,030
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 12,356,260	\$ 14,090,929	\$ 15,005,656	\$ 15,193,153	\$ 16,011,980	\$ 18,960,030
\$ 1,226,170	\$ 1,389,564	\$ 1,389,875	\$ 1,426,146	\$ 1,489,208	\$ 1,547,014
284,447	82,064	276,954	238,844	35,378	313,285
-	-	-	-	-	-
\$ 1,510,617	\$ 1,471,628	\$ 1,666,829	\$ 1,664,990	\$ 1,524,586	\$ 1,860,299
\$ (10,845,643)	\$ (12,619,301)	\$ (13,338,827)	\$ (13,528,163)	\$ (14,487,394)	\$ (17,099,731)
\$ 10,996,319	\$ 11,337,122	\$ 11,727,320	\$ 11,826,095	\$ 12,186,894	\$ 12,487,858
297,505	273,890	304,786	256,821	275,406	301,568
69,952	73,585	80,262	73,093	77,570	85,515
123,141	166,184	52,063	33,061	406,217	625,564
-	-	-	-	-	-
-	-	-	-	-	-
421,902	55,328	45,878	42,999	37,739	38,284
11,908,819	11,906,109	12,210,309	12,232,069	12,983,826	13,538,789
\$ 11,908,819	\$ 11,906,109	\$ 12,210,309	\$ 12,232,069	\$ 12,983,826	\$ 13,538,789
\$ 1,063,176	\$ (713,192)	\$ (1,128,518)	\$ (1,296,094)	\$ (1,503,568)	\$ (3,560,942)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GENERAL FUND				
Restricted	\$ 36,045	\$ -	\$ -	\$ -
Assigned				
Operating reserve	-	2,137,143	2,214,114	2,335,471
Unassigned				
General subfund	3,359	503,794	1,209,315	1,419,482
Ambulance subfund	658,576	993,813	1,566,864	1,787,702
Rescue subfund	424,665	540,036	139,212	125,787
TOTAL GENERAL FUND	\$ 1,122,645	\$ 4,174,786	\$ 5,129,505	\$ 5,668,442
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ 702,699	\$ 53,597	\$ -
Restricted				
Tort liability	-	282,661	237,928	147,983
Audit	8,356	6,519	6,017	5,790
Social Security	11,539	8,547	16,872	14,939
IMRF	17,058	15,062	19,316	27,574
Foreign fire insurance fund	28,676	73,551	104,401	98,867
Assigned				
Operating reserve	1,966,941	-	-	-
Capital projects	3,573,570	3,640,805	4,173,726	3,518,609
Unassigned				
Special revenue	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 5,606,140	\$ 4,729,844	\$ 4,611,857	\$ 3,813,762
TOTAL ALL GOVERNMENTAL FUNDS	\$ 6,728,785	\$ 8,904,630	\$ 9,741,362	\$ 9,482,204

Note: The operating reserve began to be reported as a subfund of the General Fund as of May 31, 2012 with the implementation of GASB Statement No. 54.

Data Source

Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,108,369	3,608,369	3,608,369	3,608,369	3,608,369	3,495,503
455,220	186,710	177,410	176,428	1,253,612	1,459,972
401,580	180,040	154,123	68,100	(163,635)	(16,733)
11,002	5,480	47,855	1,437	(2,733)	2,048
\$ 3,976,171	\$ 3,980,599	\$ 3,987,757	\$ 3,854,334	\$ 4,695,613	\$ 4,940,790
\$ 550,479	\$ 96,887	\$ 37,215	\$ 28,907	\$ 119,148	\$ 57,316
-	-	-	50,597	42,364	90,789
10,125	8,341	484	1,953	5,657	9,192
18,936	15,005	13,907	27,460	37,489	47,957
37,054	46,234	55,107	48,180	53,254	60,127
77,908	81,131	34,770	94,738	134,891	125,573
-	-	-	-	-	-
4,575,624	3,989,384	4,819,722	4,699,114	4,290,963	4,477,921
(4,510)	(9,419)	(11,958)	-	-	-
\$ 5,265,616	\$ 4,227,563	\$ 4,949,247	\$ 4,950,949	\$ 4,683,766	\$ 4,868,875
\$ 9,241,787	\$ 8,208,162	\$ 8,937,004	\$ 8,805,283	\$ 9,379,379	\$ 9,809,665

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
REVENUES				
Property taxes	\$ 10,157,849	\$ 10,132,733	\$ 10,282,754	\$ 10,510,709
Personal property replacement taxes	-	256,366	271,209	284,236
Foreign fire insurance	-	55,518	64,786	64,682
Charges for services	832,107	907,472	1,155,768	1,156,318
Intergovernmental	-	424,890	296,797	39,100
Investment income	83,111	39,194	79,346	65,769
Miscellaneous	492,175	544,362	427,766	466,024
Total revenues	11,565,242	12,360,535	12,578,426	12,586,838
EXPENDITURES				
Current				
Public safety	-	10,527,548	10,409,997	11,020,433
Personnel	10,001,272	-	-	-
Administration	306,211	-	-	-
Health and welfare	109,773	-	-	-
Capital outlay	395,061	181,133	1,385,697	2,161,258
Total expenditures	10,812,317	10,708,681	11,795,694	13,181,691
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	752,925	1,651,854	782,732	(594,853)
OTHER FINANCING SOURCES (USES)				
Transfers in	624,500	1,653,585	1,210,800	1,268,000
Transfers (out)	(1,035,277)	(1,653,585)	(1,210,800)	(1,268,000)
Sale of capital assets	23,900	76,179	54,000	335,695
Total other financing sources (uses)	(386,877)	76,179	54,000	335,695
NET CHANGE IN FUND BALANCES	\$ 366,048	\$ 1,728,033	\$ 836,732	\$ (259,158)

Note: The expenditure reporting was consolidated beginning in fiscal year 2012. Also, intergovernmental grants began to be reported separately in this same year.

Data Source

Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	10,996,319	\$ 11,337,122	\$ 11,727,320	\$ 11,826,095	\$ 12,186,894	\$ 12,487,858
	297,505	273,890	304,786	256,821	275,406	301,568
	69,952	73,585	80,262	73,093	77,570	85,515
	1,226,170	1,389,564	1,389,875	1,426,146	1,489,208	1,547,014
	284,447	82,064	276,954	238,844	35,378	33,713
	123,141	166,184	52,063	33,061	406,217	625,564
	421,902	55,328	45,878	42,999	37,739	38,284
	13,419,436	13,377,737	13,877,138	13,897,059	14,508,412	15,119,516
	11,681,264	11,606,795	12,708,529	13,159,672	13,521,525	14,297,965
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,001,663	2,827,562	467,412	870,608	412,791	391,265
	13,682,927	14,434,357	13,175,941	14,030,280	13,934,316	14,689,230
	(263,491)	(1,056,620)	701,197	(133,221)	574,096	430,286
	3,520,000	1,900,000	1,280,000	750,000	90,000	486,634
	(3,520,000)	(1,900,000)	(1,280,000)	(750,000)	(90,000)	(486,634)
	23,074	22,995	27,645	1,500	-	-
	23,074	22,995	27,645	1,500	-	-
\$	(240,417)	\$ (1,033,625)	\$ 728,842	\$ (131,721)	\$ 574,096	\$ 430,286

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2010	\$ 884,270,468	\$ 107,867,960	\$ 371,781,366	\$ 472,623	\$ 1,364,392,417	\$ 0.7448	\$ 4,093,177,251	33.333%
2011	772,962,309	106,901,806	368,516,920	472,166	1,248,853,201	0.8274	3,746,559,603	33.333%
2012	678,705,238	97,410,801	326,055,930	498,070	1,102,670,039	0.9619	3,308,010,117	33.333%
2013	627,591,314	94,357,696	304,316,580	556,279	1,026,821,869	1.0583	3,080,465,607	33.333%
2014	622,500,339	93,326,140	301,315,280	472,234	1,017,613,993	1.1221	3,052,841,979	33.333%
2015	636,585,760	97,319,100	311,957,028	484,828	1,046,346,716	1.1240	3,139,040,148	33.333%
2016	689,872,511	104,521,070	331,556,060	533,314	1,126,482,955	1.0511	3,379,448,865	33.333%
2017	752,864,832	108,904,360	354,534,140	531,612	1,216,834,944	1.0093	3,650,504,832	33.333%
2018	790,585,080	113,491,330	367,163,690	584,772	1,272,401,018	0.9847	3,817,203,054	33.333%
2019	830,814,617	121,960,302	389,787,520	643,260	1,343,754,871	0.9530	4,031,264,613	33.333%

Note: Property in the District is reassessed each three years. Property is assessed at 33% of actual value. Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the DuPage County Clerk

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
DISTRICT DIRECT RATES										
Corporate	0.3519	0.3645	0.4000	0.3626	0.3774	0.3683	0.3773	0.3582	0.3453	0.3258
Ambulance	0.2551	0.2666	0.3000	0.3623	0.3774	0.3683	0.3773	0.3582	0.3453	0.3258
Tort liability	0.0013	0.0520	0.0834	0.1365	0.1375	0.1370	0.0604	0.0420	0.0321	0.0300
Firefighters' pension	0.0759	0.0763	0.0991	0.1152	0.1202	0.1198	0.1073	0.1154	0.1387	0.1537
Firefighters' pension exempt	0.0071	0.0079	0.0138	0.0185	0.0463	0.0676	0.0628	0.0676	0.0628	0.0594
Audit	0.0013	0.0014	0.0017	0.0018	0.0017	0.0019	0.0017	0.0019	0.0018	0.0019
Emergency rescue	0.0437	0.0470	0.0500	0.0464	0.0467	0.0462	0.0490	0.0506	0.0461	0.0449
IMRF	0.0025	0.0035	0.0042	0.0046	0.0046	0.0046	0.0045	0.0049	0.0030	0.0021
Social Security	0.0060	0.0082	0.0097	0.0104	0.0103	0.0103	0.0108	0.0105	0.0096	0.0094
Total district direct rates	0.7448	0.8274	0.9619	1.0583	1.1221	1.1240	1.0511	1.0093	0.9847	0.9530
OVERLAPPING RATES										
Forest Preserve District of DuPage County	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278	0.1242
Airport Authority	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146	0.0141
Townships	0.1271	0.1379	0.1636	0.1781	0.1844	0.1792	0.1500	0.1613	0.1588	0.1555
Village of Addison	0.4934	0.5494	0.6543	0.7524	0.8109	0.8393	0.8100	0.7612	0.7769	0.7349
Library	0.3221	0.3656	0.4316	0.4777	0.4988	0.5051	0.4900	0.4566	0.4410	0.4328
Park district	0.3427	0.3747	0.4307	0.4659	0.4800	0.4720	0.4400	0.4199	0.4110	0.3875
Total overlapping rates	1.4332	1.5859	1.8512	2.0576	2.1628	2.1766	2.0590	1.9462	1.9301	1.8490
TOTAL DIRECT AND OVERLAPPING RATES	2.1780	2.4133	2.8131	3.1159	3.2849	3.3006	3.1101	2.9555	2.9148	2.8020

Note: Due to overlapping jurisdictions, not all district residents are assessed taxes from all of the above governments.

Data Source

Office of the DuPage County Clerk - Tax Bill

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
Pampered Chef	\$ 9,277,790	1	0.78%	\$ 13,922,360	1	1.00%
Brookind Corporation	9,153,590	2	0.77%	5,677,700	3	0.41%
Walmart Property Tax Dep	8,022,610	3	0.67%			
Cabot	6,970,850	4	0.58%			
VTH 6 LLC	5,790,470	5	0.49%			
MCP 350 Rohlwing LLC	5,114,410	6	0.43%			
Prologis	4,668,200	7	0.39%			
IPT Addison	4,146,650	8	0.35%			
Cary Company	4,115,410	9	0.34%			
Hamilton Partners Inc	3,814,120	10	0.32%			
880 S Rohlwing Rd LLC				5,706,630	2	0.41%
SVF Swift Center LLC				5,666,670	4	0.41%
Riggs & Company				5,371,970	5	0.39%
Columbia IL 1200				5,028,730	6	0.36%
Multi Employer Property Inc				4,993,970	7	0.36%
Devry				4,866,670	8	0.35%
North Star Trust Co				4,230,150	9	0.30%
Centerpoint Properties Tr				4,127,010	10	0.30%
	<u>\$ 61,074,100</u>		<u>5.12%</u>	<u>\$ 59,591,860</u>		<u>4.29%</u>

Data Source

Village of Addison 2019 Comprehensive Annual Financial Report

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 10,164,752	\$ 10,132,733	99.68%	\$ -	\$ 10,132,733	99.68%
2011	10,335,788	10,282,754	99.49%	-	10,282,754	99.49%
2012	10,610,534	10,510,709	99.06%	-	10,510,709	99.06%
2013	10,871,466	10,841,823	99.73%	-	10,841,823	99.73%
2014	11,425,260	11,337,027	99.23%	-	11,337,027	99.23%
2015	11,760,937	11,727,320	99.71%	-	11,727,320	99.71%
2016	11,848,697	11,826,095	99.81%	-	11,826,095	99.81%
2017	12,287,932	12,170,959	99.05%	-	12,170,959	99.05%
2018	12,529,344	12,479,281	99.60%	-	12,479,281	99.60%
2019	12,805,982	85,966	0.67%	-	85,966	0.67%

Data Source

Office of the DuPage County Treasurer

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**SCHEDULE OF PROPERTY TAX VALUATIONS, RATES,
EXTENSIONS AND COLLECTIONS**

Last Ten Levy Years

LEVY YEAR	2010	2011	2012	2013
EQUALIZED ASSESSED VALUATION	\$ 1,364,392,417	\$ 1,248,853,201	\$ 1,102,670,039	\$ 1,026,821,869
TAX RATES BY SUBFUND				
Corporate	0.3519	0.3645	0.4000	0.3626
Ambulance	0.2551	0.2666	0.3000	0.3623
Tort liability	0.0013	0.0520	0.0834	0.1365
Social Security	0.0060	0.0082	0.0097	0.0104
IMRF	0.0025	0.0035	0.0042	0.0046
Audit	0.0013	0.0014	0.0017	0.0018
Rescue	0.0437	0.0470	0.0500	0.0464
Firefighters' pension	0.0759	0.0763	0.0991	0.1152
Firefighters' pension exempt	0.0071	0.0079	0.0138	0.0185
TOTAL TAX RATE	0.7448	0.8274	0.9619	1.0583
TAX LEVY AS EXTENDED				
Corporate	\$ 4,802,600	\$ 4,553,293	\$ 4,412,323	\$ 3,724,836
Ambulance	3,481,509	3,330,337	3,309,242	3,721,754
Tort liability	17,742	649,578	919,969	1,402,207
Social Security	81,885	102,433	106,999	106,835
IMRF	34,119	43,722	46,329	47,254
Audit	17,742	17,489	18,753	18,490
Rescue	596,401	587,119	551,540	476,647
Firefighters' pension	1,035,855	953,131	1,093,153	1,183,401
Firefighters' pension exempt	96,898	98,686	152,225	190,042
TOTAL EXTENSIONS	\$ 10,164,751	\$ 10,335,788	\$ 10,610,533	\$ 10,871,466
TAXES COLLECTED TO DATE	\$ 10,132,733	\$ 10,282,754	\$ 10,510,709	\$ 10,841,823
PERCENT OF COLLECTION TO EXTENSION	99.69%	99.49%	99.06%	99.73%

2014	2015	2016	2017	2018	2019
\$ 1,017,613,993	\$ 1,046,346,716	\$ 1,126,482,955	\$ 1,216,834,944	\$ 1,272,401,018	\$ 1,343,754,871
0.3774	0.3683	0.3773	0.3582	0.3453	0.3258
0.3774	0.3683	0.3773	0.3582	0.3453	0.3258
0.1375	0.1370	0.0604	0.0420	0.0321	0.0300
0.0103	0.0103	0.0108	0.0105	0.0096	0.0094
0.0046	0.0046	0.0045	0.0049	0.0030	0.0021
0.0017	0.0019	0.0017	0.0019	0.0018	0.0019
0.0467	0.0462	0.0490	0.0506	0.0461	0.0449
0.1202	0.1198	0.1073	0.1154	0.1387	0.1537
0.0463	0.0676	0.0628	0.0676	0.0628	0.0594
1.1221	1.1240	1.0511	1.0093	0.9847	0.9530
\$ 3,842,699	\$ 3,853,695	\$ 4,253,177	\$ 4,360,980	\$ 4,393,601	\$ 4,377,953
3,842,699	3,853,695	4,253,177	4,360,980	4,393,601	4,377,953
1,400,030	1,433,495	680,869	511,338	408,441	403,126
104,875	107,774	121,745	127,834	122,151	126,313
46,837	48,132	50,727	59,656	38,172	28,219
17,310	19,880	19,164	23,132	22,903	25,531
475,501	483,412	552,361	616,040	586,577	603,346
1,223,880	1,253,523	1,209,557	1,404,961	1,764,820	2,065,351
471,428	707,331	707,923	823,010	799,068	798,190
\$ 11,425,259	\$ 11,760,937	\$ 11,848,700	\$ 12,287,931	\$ 12,529,334	\$ 12,805,982
\$ 11,337,027	\$ 11,727,320	\$ 11,826,095	\$ 12,170,959	\$ 12,479,281	\$ 85,966
99.23%	99.71%	99.81%	99.05%	99.60%	0.67%

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Percentage of EAV	Percentage of Total Income	Per Capita*
	Installment Notes	Capital Leases	Primary Government			
2011	\$ -	\$ 80,293	\$ 80,293	0.01%	0.01%	2.17
2012	-	54,779	54,779	0.00%	0.01%	1.48
2013	-	28,034	28,034	0.00%	0.00%	0.76
2014	-	-	-	0.00%	0.00%	-
2015	-	-	-	0.00%	0.00%	-
2016	-	-	-	0.00%	0.00%	-
2017	-	-	-	0.00%	0.00%	-
2018	-	-	-	0.00%	0.00%	-
2019	-	-	-	0.00%	0.00%	-
2020	-	-	-	0.00%	0.00%	-

*See the Schedule of Demographic and Economic Information on page 82 for personal income and population data.

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

Data Source

District Records

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

May 31, 2020

Governmental Unit	Gross Debt	Percentage Debt Applicable to the District (1)	District Share of Debt
Addison Fire Protection District #1	\$ -	0.00%	\$ -
Village of Addison	29,150,000	100.00%	29,150,000
DuPage County	171,365,000	2.99%	5,123,814
Addison Park District	15,369,722	96.40%	14,816,412
Bensenville Park District	7,320,000	71.00%	5,197,200
Bloomington Park District	13,597,630	1.17%	159,092
Elmhurst Park District	10,700,000	0.59%	63,130
Bloomington Fire District	2,500,000	0.12%	3,000
School District No. 2	34,371,000	0.71%	244,034
School District No. 4	8,585,000	85.11%	7,306,694
School District No. 13	2,360,000	1.17%	27,612
School District No. 15	39,884,833	12.39%	4,941,731
School District No. 205	106,281,848	0.62%	658,947
High School District No. 87	60,375,000	12.39%	7,480,463
High School District No. 88	84,035,000	85.11%	71,522,189
High School District No. 100	13,356,675	0.71%	94,832
High School District No. 108	21,312,572	1.17%	249,357
Total overlapping debt	620,564,280		147,038,507
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 620,564,280</u>		<u>\$ 147,038,507</u>

(1) Determined by applying the ratio of assessed value of the specific district to that portion which is in the District.

Data Source

Village of Addison 2019 Comprehensive Annual Financial Report, most recent available

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legal debt margin	\$ 78,452,564	\$ 71,809,059	\$ 63,403,527	\$ 59,042,257	\$ 58,512,805	\$ 60,164,936	\$ 64,772,770	\$ 69,968,009	\$ 73,168,059	\$ 77,265,905
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
LEGAL DEBT MARGIN	<u>\$ 78,452,564</u>	<u>\$ 71,809,059</u>	<u>\$ 63,403,527</u>	<u>\$ 59,042,257</u>	<u>\$ 58,512,805</u>	<u>\$ 60,164,936</u>	<u>\$ 64,772,770</u>	<u>\$ 69,968,009</u>	<u>\$ 73,168,059</u>	<u>\$ 77,265,905</u>
TOTAL DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Legal debt margin calculation for fiscal 2019

Assessed value	\$ 1,343,754,871
Legal debt margin	<u>5.75%</u>
Debt limit	77,265,905
Debt applicable to limit None	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 77,265,905</u></u>

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate
2011	36,942	\$ 22,638	\$ 836,292,996	9.90%
2012	36,942	23,410	864,812,220	8.80%
2013	36,942	24,351	899,574,642	8.90%
2014	36,942	25,914	957,314,988	7.20%
2015	36,942	27,674	1,022,332,908	5.60%
2016	36,942	N/A	N/A	6.00%
2017	36,942	N/A	N/A	4.20%
2018	36,942	N/A	N/A	4.20%
2019	36,942	N/A	N/A	3.50%
2020	36,942	N/A	N/A	N/A

Note: N/A - information not available.

Data Source

Village of Addison Comprehensive Annual Financial Report

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Years Ago

Employer	Rank	2020		Employer	Rank	2011	
		Number of Employees	% of Total District Population			Number of Employees	% of Total District Population
United Parcel Service	1	2,914	7.89%	United Parcel Service	1	2,914	8.11%
Pampered Chef	2	788	2.13%	Pampered Chef	2	788	2.19%
Parts Town LLC	3	525	1.42%	Bantec	3	300	1.39%
AIF Inc.	4	477	1.29%	Unisource	4	250	0.70%
Option Care	5	278	0.75%	Jewel Food Stores	5	250	0.70%
Tailored Brands	6	258	0.70%	Family Home Health Serv	6	250	0.70%
Veritiv Operating Company	7	250	0.68%	Albin Carlson & Co.	7	250	0.70%
Insight	8	222	0.60%	Kraft Foods	8	240	0.70%
Walmart	9	220	0.60%	Devry University	9	230	0.67%
SWD, Inc	10	200	0.54%	Walmart	10	200	0.64%
TOTAL		<u>6,132</u>				<u>5,672</u>	

Data Source

Village of Addison 2019 Comprehensive Annual Financial Report

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Chiefs	5	5	5	6	6	6	6	6	6	5
Firefighters/paramedics	53	53	52	50	51	45	45	45	42	45
Administrative staff	3	4	5	3	3	2	2	2	1	1
Fire prevention bureau	3	4	5	3	3	3	4	3	3	3
Contract personnel	6	6	7	7	7	7	7	7	8	8
TOTAL	70	72	74	69	70	63	64	63	60	62

Data Source

District internal records

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Calendar Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CALLS										
Structure fires	26	15	13	12	30	17	31	53	67	N/A
Other fires	85	80	68	64	75	58	91	83	81	N/A
Pressure rupture	1	-	-	-	4	2	-	7	12	N/A
Rescue and EMS calls	2,919	2,962	2,841	2,971	3,453	3,492	3,223	3,471	3,582	N/A
Hazardous condition	208	204	130	139	161	147	152	178	187	N/A
Service calls	160	197	162	197	209	125	391	123	178	N/A
False calls	485	526	447	574	429	388	359	852	1,007	N/A
Miscellaneous	5	11	4	2	2	4	-	13	10	N/A
Unclassified	166	188	179	209	183	302	222	-	-	N/A
TOTAL	4,055	4,183	3,844	4,168	4,546	4,535	4,469	4,780	5,124	-

N/A - The District tracks calls based on the calendar year so 2020 is not available as of this writing.

Data Source

District internal records

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SUPPORT SERVICES										
Fire stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	5	5	5	6	6	6
Engines	5	4	4	3	3	2	2	2	2	2
Towers	1	1	1	-	-	-	-	-	-	-
Quints	-	1	1	3	3	3	3	3	3	3
Squads	-	-	-	-	-	-	-	-	-	-
Administrative vehicles	7	8	9	9	10	10	11	11	12	12
TOTAL SUPPORT SERVICES	20	21	22	22	24	23	24	25	26	26

Data Source

District internal records