

ADDISON FIRE PROTECTION DISTRICT #1

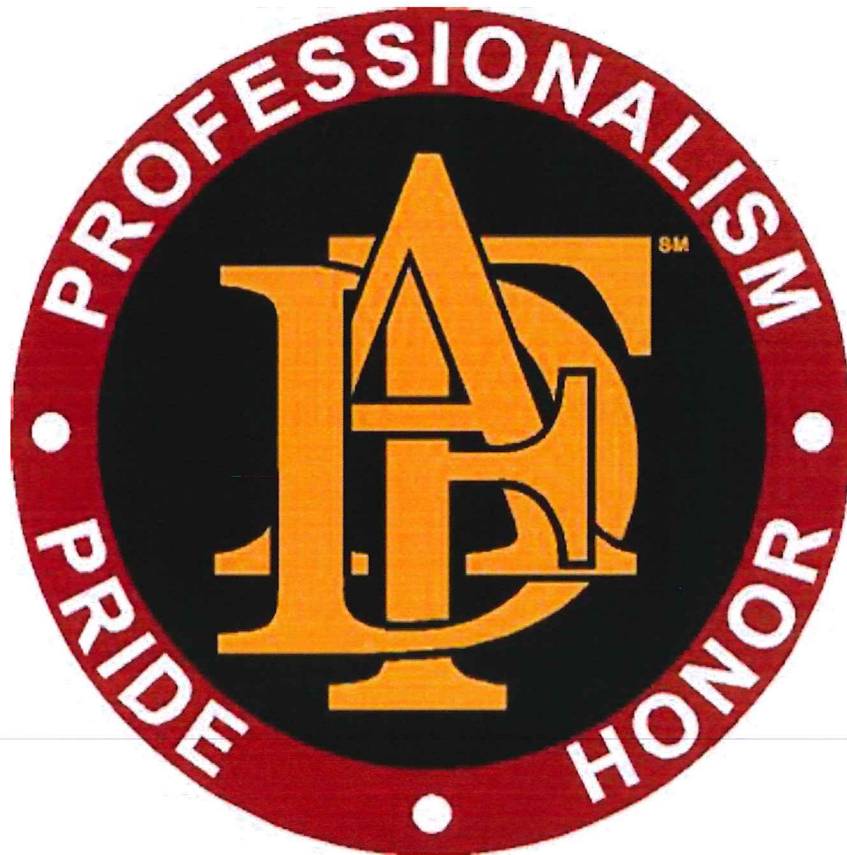
ADDISON, ILLINOIS

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED MAY 31, 2017



ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
May 31, 2017

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 FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

MAY 31, 2017

BOARD OF TRUSTEES

Michael J. Super – President

Charles Baxa, Jr. – Secretary

Bernadette LaRocca – Treasurer

BOARD OF COMMISSIONERS

John Humes – Chairperson

Joseph Saverino – Secretary

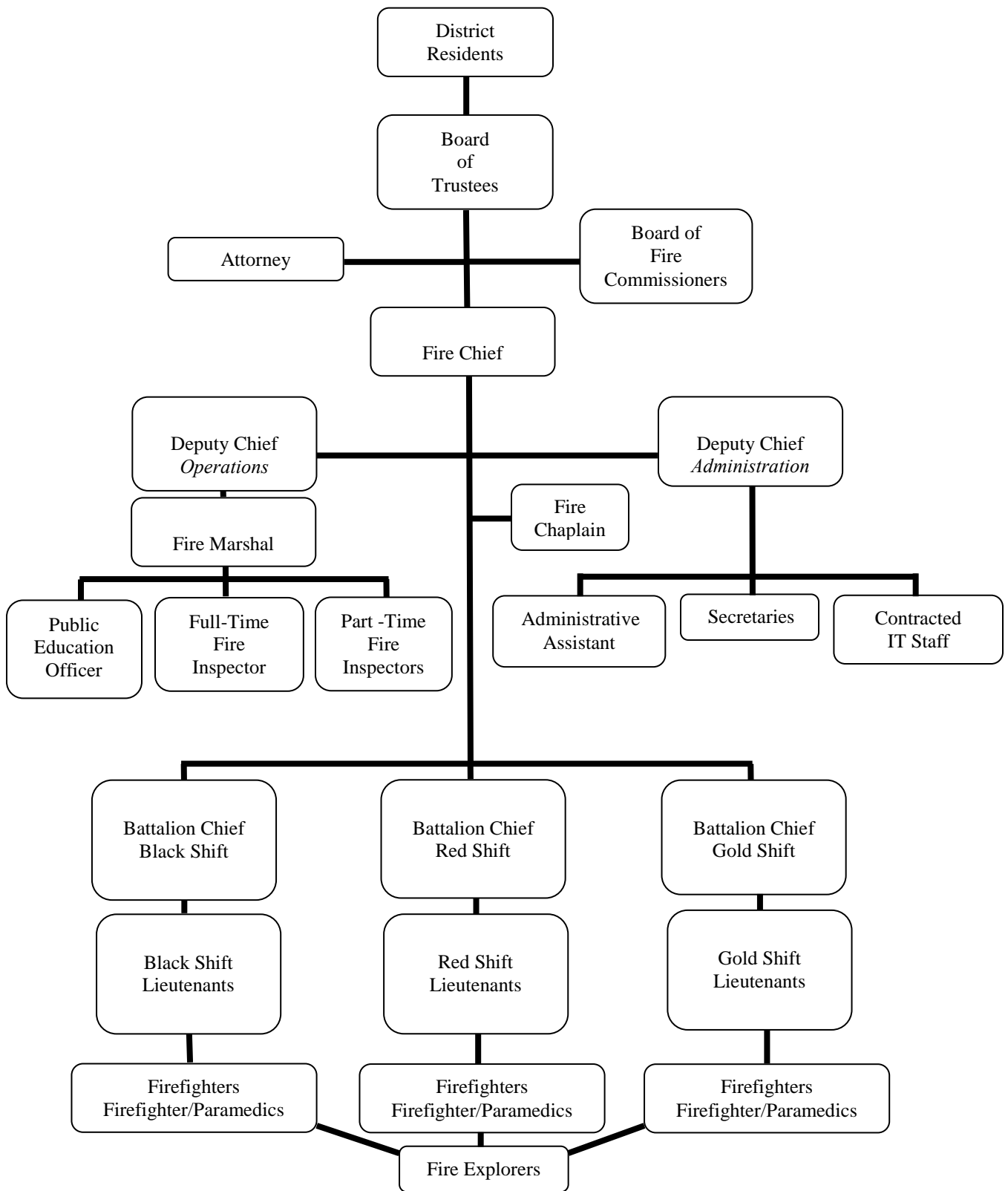
Dr. Daniel LeHoux – Commissioner

MANAGEMENT STAFF

Joseph J. Leone – Fire Chief

Scott W. Walker – Deputy Fire Chief

ADDISON FIRE PROTECTION DISTRICT #1 - ORGANIZATIONAL CHART 2015





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, 2016

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 14th, 2017

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

Eric 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 (AFPD), Addison, Illinois for the fiscal year ended May 31, 2017.

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 of 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 AFPD 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 AFPD's basic financial statements for the fiscal year ended May 31, 2017, 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 AFPD. MD&A complements this letter of transmittal and should be read in conjunction with it.

DISTRICT PROFILE

The Addison Fire Protection District (AFPD) 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.). AFPD 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 AFPD 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.

AFPD 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.

AFPD 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 AFPD 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 has been relatively unchanged over the last two decades, but the few small remaining areas of potential growth have now begun to be developed. 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 all

other areas of our operations are divided between fire/suppression response along with fire alarm response, plus public education and fire prevention.

Since our peak in 2008, we saw a low point which equaled a 33.7% total decrease in the annual assessed valuation (net of new property) due to economic conditions. This decrease has since stabilized and we experienced slight increases during the latest assessments which now have our District sitting at 26.4% off our peak. The amount of collected property taxes continues to be close to 100% of the levy. Due to limited growth, revenues from new properties have been limited. 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. 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 allow leaves our district in a good position to only have to address maintenance issue 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 statues 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 2017

Staffing and associated costs will continue to be our largest operating expenditure. There is minimal anticipated hiring planned for the next few years.

Our labor collective bargaining agreement with our IAFF-AFFI Addison Professional Firefighters Union Local 4727 will expire on June 1st, 2018. Negotiations for a subsequent three year contract have already begun to ensure a new contract will be in place prior to expiration. The District is working on negotiations pertaining wages to coincide more closely with the Consumer Price Index (CPI) as designed by the Illinois Department of Revenue Property Tax Division which will be used for future property tax extension limit law (PTELL). Doing so would ensure the wage costs of labor more closely mirrors tax revenue being paid to the District.

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 have been 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 was able to negotiate very favorable renewal rates of both liability and work compensation insurance with two vendors that has resulted in considerable savings in both of these areas. We were also able to eliminate costly communication contracts with our local phone company by utilizing a microwave communication system that connects all three fire stations.

As we enter the FY2018 and FY2019 fiscal years, we will continue to be vigilant over the budget, the levy, and all expenses 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. Some examples of added user fees was the addition of billing nonresidents for fire service calls such as car fires and auto accidents. Another source of annual revenue has started with the leasing of communication tower space to cellular companies at of fire stations number one and three. We are concerned about these tough economic times and 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, 2017 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.
- *Engaged in talks with another cellular company to lease space at one of our three fire stations which will provide additional annual revenues. This lease should be complete in FY18-19.
- *Aggressively renegotiated liability and worker compensation insurance renewals which resulted in six figure savings in FY17-18 and should continue in future fiscal years.
- * Continued to expand CPR and first aid class teaching opportunities and these programs are now generating a positive cash flow for the District. We also rolled out our

new training center which will be a model training center for our area and should generate revenue going forward by offering and hosting various classes.

*Continued the work necessary to achieve international accreditation through the Center for Public Safety Excellence. The amount of work being focused toward this endeavor was drastically increased toward the end of FY 15-16 and will remain at a high level until completion which is projected to occur sometime in FY 18-19.

*Addison Fire District has been very aggressive toward obtaining public and private grants to help us accomplish our missions and to save taxes for our residents. In FY 16-17, Addison received around \$50,000 in grants. Shortly after the end of FY16-17, we were notified by FEMA we were awarded a grant of over \$200,000 to put toward the replacement of our cardiac monitors. Since 2006, we have obtained over 2 million dollars of grant money from FEMA's Department of Homeland Security and other agencies.

*Switched dispatch centers which will increase efficiencies, improve response times and ultimately should save the District money when compared to other dispatch centers in our area.

*Continue compliance with nationally recognized standards.

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 streams will be research including billing non-residents of the District for fire services.

*Strive to improve communications with the dispatch center and a newly arriving computer aided dispatch (CAD) system via the use of computers (MDT's) and other mobile technologies.

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

*Improved records management to increase the quality of data mining to help facilitate decision making related to resource allocation, service models and risk management.

*The formation of an exploratory committee to research and recommend the type of fire suppression vehicle to purchase in order to replace a fire engine slated to be replaced through the District's Capital Replacement Program in FY 20-21.

*Continually review and assessment of 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.

The Addison Fire District has for the past 4 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 the Administrative Department. 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
Deputy Fire Chief



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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, 2017, 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, 2017 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.

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 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 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 11, 2017

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2017

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, 2017. 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 \$12,374,326. The major reason the District's net position is the implementation of GASB 68 in the prior year which requires the net pension liability of the District Fire and IMRF Pension plans to be reported as liabilities of the District on the government wide financial statements.
- The District's total net position decreased by \$1,128,518 primarily due to increases in long-term pension liabilities. See page 7 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 \$8,937,004 an increase of \$728,842 in comparison with the prior year. Of this amount, \$8,795,521 (98.4%) 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 \$3,987,757 or 36.5% 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 \$1,280,000 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 \$4,819,722 all of which is assigned for future capital acquisitions.

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.

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2017

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.

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), Tort Liability Insurance 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.

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2017

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 Fund.

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>2017</u>	<u>2016</u>
Assets and Deferred Outflows		
Other Assets:		
Cash and investments	\$ 9,010	\$ 8,176
Prepaid items and other	37	97
Receivables (net of allowance for uncollectibles):		
Interest	32	34
Property taxes	11,789	11,643
Miscellaneous	13	12
Capital assets (net of accumulated depreciation)	10,413	10,699
Deferred outflows of resources	5,803	5,152
Total assets and deferred outflows	37,097	35,813
Liabilities and Deferred Inflows		
Other Liabilities:		
Accounts payable	51	36
Accrued salaries	104	74
Other liabilities due in one year	229	202
Deferred inflows of resources	12,848	11,643
Long term obligations (Pension)	36,240	35,104
Total liabilities and deferred inflows	49,472	47,059
Net Position		
Net investment in capital assets	10,413	10,699
Restricted	104	151
Unrestricted	(22,891)	(22,096)
Total net position	(12,374)	(11,246)

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2017

Condensed Statement of Governmental Activities For the Year Ended May 31, 2017 (000's omitted)

	<u>2017</u>	<u>2016</u>
Revenues:		
Foreign fire insurance	\$ 80	\$ 74
Real estate taxes	11,727	11,337
Replacement Tax	305	274
Interest	52	166
Charges for Service & Grants	1,668	1,472
Miscellaneous	46	55
Total revenues	<u>13,878</u>	<u>13,378</u>
Expenses:		
Operational Expenses	15,006	14,091
Interest	-	-
Total expenses	<u>15,006</u>	<u>14,091</u>
Change in net position	<u>(1,128)</u>	<u>(713)</u>
Net position, beginning of year	<u>(11,246)</u>	<u>13,822</u>
Change in accounting principle	-	<u>(24,355)</u>
Net position, end of year	<u>(12,374)</u>	<u>(11,246)</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 \$12,374,326 at the most recent fiscal year close. As stated earlier, 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 \$10,413,388 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 \$(12,374,326). The District's total assets and deferred outflows of resources equal \$37,097,920. The District's total liabilities and deferred inflows of resources equals \$49,472,246 with \$31,235,709 representing the net pension liability for the fire pension and IMRF pension plans.

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2017

Governmental activities. The District's net position decreased during the current fiscal year by \$1,128,518 due to increases in long-term liabilities. Overall, the District realized a 3.7% increase in revenues coupled with a 6.5% increase in operating expenses.

- Property tax revenues increased from \$11.337 million in FY 16 to \$11.727 million in FY 17.
- Charges for services and grants increased from \$1.472 million in FY 16 to \$1.668 million in FY 17 due to grant revenue going up from \$82,064 in FY 16 to \$276,954 in FY 17.
- Expenses increased from \$14.091 million in FY 16 to \$15.006 million in FY 17.

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 \$8,937,004 a increase of \$728,842 in comparison with the previous year. 98% (\$8,795,521) 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 \$37,215 and other restrictions of \$103,784 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 \$367,430. In addition, the District has assigned fund balance in the General Fund for cash reserves of \$3,608,369. 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 represents 3.4% of total General Fund expenditures. Total fund balances of the General Fund represents 36.5% of total General Fund expenditures.

Fund Balances

At the end of this fiscal, FY17, the General Fund which includes both the General Fund and Ambulance Fund, fund balance remained relatively flat from \$3.980 million in FY 16 to \$3.987 million. The Tort Liability fund balance decreased from \$87,468 in FY16 to \$25,257. This 71.1% drop in Fund Balance was due to increased wellness and training wage allocation. The District's Capital Fund increased from \$3.989 million in FY 16 to \$4.820 million in FY 17. The reason for this increase was a transfer from the general fund to the capital fund of \$1.280 million. The District non-major funds had small variances from FY 16 to FY17 with no major unexpected occurrences during the fiscal year.

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2017

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 under budget expectations by 1.0% (not including the pension Fund). The actual expenditures were 13.3% under budget (not including the pension fund). Major expenditure categories of positive budget variance came from wages, insurance and dispatch.

Capital Assets and Debt Administration

Capital assets. At the end of fiscal year 2017, the District had total capital assets (net of accumulated depreciation) of \$10.413 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 \$857,552. 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 2.1% which is the highest CPI in the last six years. Pension Fund taxes increased this fiscal year, none of which is available for operations but is intended to meet District obligations for unfunded liabilities. In spite of restricted revenues, the operational budget remains balanced and did not exceed the revenues received operationally (not including capital acquisitions) for the fiscal year. 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.

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, 2017

	Governmental Activities
<hr/>	
ASSETS	
Cash and investments	\$ 9,010,019
Receivables (net of allowance for uncollectibles)	
Property taxes	11,789,456
Interest	31,830
Other	13,000
Prepaid items	37,215
Capital assets not being depreciated	750,000
Capital assets (net of accumulated depreciation)	<u>9,663,388</u>
 Total assets	 <u>31,294,908</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension items - Firefighters' Pension Fund	5,703,713
Pension items - IMRF	<u>99,299</u>
 Total deferred outflows of resources	 <u>5,803,012</u>
 Total assets and deferred outflows of resources	 <u>37,097,920</u>
 LIABILITIES	
Accounts payable	50,631
Accrued payroll	104,429
Long-term liabilities	
Due within one year	229,056
Due in more than one year	<u>36,240,019</u>
 Total liabilities	 <u>36,624,135</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	11,789,456
Pension items - Firefighters' Pension Fund	1,018,163
Pension items - IMRF	<u>40,492</u>
 Total deferred inflows of resources	 <u>12,848,111</u>
 Total liabilities and deferred inflows of resources	 <u>49,472,246</u>
 NET POSITION	
Net investment in capital assets	10,413,388
Restricted for	
Audit	484
Social Security	13,907
IMRF	55,107
Public safety	34,770
Unrestricted (deficit)	<u>(22,891,982)</u>
 TOTAL NET POSITION (DEFICIT)	 <u><u>\$ (12,374,326)</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2017

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	\$ 15,005,656	\$ 1,389,875	\$ 276,954	\$ -	\$ (13,338,827)
Total governmental activities	15,005,656	1,389,875	276,954	-	(13,338,827)
TOTAL PRIMARY GOVERNMENT	\$ 15,005,656	\$ 1,389,875	\$ 276,954	\$ -	(13,338,827)
General Revenues					
Taxes					
Property					
					11,727,320
Replacement					
					304,786
Foreign fire insurance					
					80,262
Investment income					
					52,063
Miscellaneous					
					<u>45,878</u>
Total					<u>12,210,309</u>
CHANGE IN NET POSITION					(1,128,518)
NET POSITION (DEFICIT), JUNE 1					<u>(11,245,808)</u>
NET POSITION (DEFICIT), MAY 31					<u><u>\$ (12,374,326)</u></u>

See accompanying notes to financial statements.

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

May 31, 2017

	General	Tort Liability Insurance	Capital Improvement	Nonmajor Governmental	Total Governmental Funds
ASSETS					
Cash and investments	\$ 4,074,790	\$ 1,838	\$ 4,829,123	\$ 104,268	\$ 9,010,019
Receivables					
Property taxes	10,921,314	677,465	-	190,677	11,789,456
Interest	31,830	-	-	-	31,830
Other	13,000	-	-	-	13,000
Prepaid items	-	37,215	-	-	37,215
TOTAL ASSETS	\$ 15,040,934	\$ 716,518	\$ 4,829,123	\$ 294,945	\$ 20,881,520
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 41,230	\$ -	\$ 9,401	\$ -	\$ 50,631
Accrued payroll	90,633	13,796	-	-	104,429
Total liabilities	131,863	13,796	9,401	-	155,060
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	10,921,314	677,465	-	190,677	11,789,456
Total deferred inflows of resources	10,921,314	677,465	-	190,677	11,789,456
Total liabilities and deferred inflows of resources	11,053,177	691,261	9,401	190,677	11,944,516
FUND BALANCES					
Nonspendable	-	37,215	-	-	37,215
Restricted					
Audit	-	-	-	484	484
Social Security	-	-	-	13,907	13,907
IMRF	-	-	-	55,107	55,107
Public safety	-	-	-	34,770	34,770
Assigned					
Capital improvements	-	-	4,819,722	-	4,819,722
Cash reserves	3,608,369	-	-	-	3,608,369
Unassigned (deficit)	379,388	(11,958)	-	-	367,430
Total fund balances	3,987,757	25,257	4,819,722	104,268	8,937,004
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 15,040,934	\$ 716,518	\$ 4,829,123	\$ 294,945	\$ 20,881,520

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, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 8,937,004
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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	10,413,388
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Net pension liability for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(30,847,809)
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Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(387,900)
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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 of resources on the statement of net position	58,807
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Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Firefighters' Pension Fund are recognized as deferred outflows of resources on the statement of net position	4,685,550
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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	(1,527,037)
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Other postemployment benefit obligation	<u>(3,706,329)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (12,374,326)</u></u>
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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, 2017

	General	Tort Liability Insurance	Capital Improvement	Nonmajor Governmental	Total Governmental Funds
REVENUES					
Property taxes	\$ 10,123,789	\$ 1,428,619	\$ -	\$ 174,912	\$ 11,727,320
Personal property replacement taxes	304,786	-	-	-	304,786
Foreign fire insurance tax	-	-	-	80,262	80,262
Charges for services	1,389,875	-	-	-	1,389,875
Intergovernmental	259,204	-	17,750	-	276,954
Investment income	52,063	-	-	-	52,063
Miscellaneous	45,878	-	-	-	45,878
Total revenues	12,175,595	1,428,619	17,750	255,174	13,877,138
EXPENDITURES					
Current					
Public safety	10,916,082	1,490,830	-	301,617	12,708,529
Capital outlay	-	-	467,412	-	467,412
Total expenditures	10,916,082	1,490,830	467,412	301,617	13,175,941
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,259,513	(62,211)	(449,662)	(46,443)	701,197
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	1,280,000	-	1,280,000
Transfers (out)	(1,280,000)	-	-	-	(1,280,000)
Proceeds from the sale of capital assets	27,645	-	-	-	27,645
Total other financing sources (uses)	(1,252,355)	-	1,280,000	-	27,645
NET CHANGE IN FUND BALANCES	7,158	(62,211)	830,338	(46,443)	728,842
FUND BALANCES, JUNE 1	3,980,599	87,468	3,989,384	150,711	8,208,162
FUND BALANCES, MAY 31	\$ 3,987,757	\$ 25,257	\$ 4,819,722	\$ 104,268	\$ 8,937,004

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, 2017

**NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS**

\$ 728,842

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 576,551

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 (857,552)

Proceeds from the disposal of capital assets are recognized in governmental
funds but the gain (loss) is recognized on the statement of activities (5,075)

The change in the net pension liability for the Illinois Municipal Retirement
Fund is reported only in the statement of activities 32,728

The change in deferred inflows and outflows of resources for the Illinois
Municipal Retirement Fund is reported only in the statement of activities (81,374)

The change in the net pension liability for the Firefighters' Pension Fund
is reported only in the statement of activities (914,555)

The change in deferred inflows and outflows of resources for the Firefighters'
Pension Fund is reported only in the statement of activities (326,794)

The change in compensated absences payable is shown as an expense on the
statement of activities (180,522)

The change in postemployment benefits payable is not a current financial
obligation and, therefore, is not reported in the governmental funds (100,767)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (1,128,518)

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND

May 31, 2017

ASSETS

Investments

Cash and money market mutual funds	\$ 582,394
Negotiable CDs	105,441
Municipal bonds	3,219,209
U.S. Treasury securities	1,967,858
U.S. agency securities	11,195,219
Corporate bonds	3,870,255
Mutual funds	24,509,112

Receivables

Accrued interest	<u>203,783</u>
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Total assets	<u>45,653,271</u>
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LIABILITIES

Accounts payable	<u>8,176</u>
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Total liabilities	<u>8,176</u>
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NET POSITION RESTRICTED
FOR PENSIONS

\$ 45,645,095

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, 2017

ADDITIONS

Contributions

Employer contributions	\$ 2,592,620
Employee contributions	<u>458,538</u>

Total contributions	<u>3,051,158</u>
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Investment income

Net appreciation in fair value of investments	2,589,612
Interest	<u>1,510,329</u>

Total investment income	4,099,941
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Less investment expense	<u>(48,900)</u>
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Net investment income	<u>4,051,041</u>
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Total additions	<u>7,102,199</u>
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DEDUCTIONS

Pension benefits	3,720,467
Administrative expenses	40,884
Refunds	<u>33,835</u>

Total deductions	<u>3,795,186</u>
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NET INCREASE	3,307,013
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**NET POSITION RESTRICTED
FOR PENSIONS**

June 1	<u>42,338,082</u>
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May 31	<u><u>\$ 45,645,095</u></u>
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See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2017

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 principals (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 GAAP, these financial statements present the District and any component units, entities for which the District is considered to be financially accountable. At May 31, 2017, there were no entities that would be considered a component unit of the District. Also, the District is not considered a component unit of any other governmental entity.

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 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, or on behalf of other funds within the government. 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 Tort Liability Insurance Fund, a Special Revenue Fund, accounts for the expenditures restricted for liability, property, accident and sickness insurance expenditures. Financing is provided by a property tax levy.

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 Fund 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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, if any.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

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.

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 an other financing source and premiums are reported as an other financing source and discounts are reported as an other 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. 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 use 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.

l. Deferred Outflows/Inflows of Resources

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.

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 2016 attach as an enforceable lien on January 1, 2016, 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, 2017, and are payable in two installments, on or about June 1, 2017 and September 1, 2017. The County collects such taxes and remits them periodically. Because the 2016 levy is intended to finance the fiscal year ending May 31, 2018, it has been offset by unavailable/deferred revenue at May 31, 2017. The 2017 tax levy, which attached as an enforceable lien on property as of January 1, 2017, has not been recorded as a receivable as of May 31, 2017, as the tax has not yet been levied by the District and will not be levied until December 2017 and, therefore, the levy is not measurable at May 31, 2017.

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 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, 2017

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. agency securities	\$ 1,315,184	\$ 289,701	\$ 1,025,483	\$ -	\$ -
U.S. Treasury securities	249,922	249,922	-	-	-
Municipal bonds	344,502	-	344,502	-	-
Negotiable CDs	2,091,617	-	2,091,617	-	-
TOTAL	\$ 4,001,225	\$ 539,623	\$ 3,461,602	\$ -	\$ -

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, 2017: The U.S. treasury and agency obligations, municipal 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. Illinois Funds are rated AAA. The District's investment policy is silent on credit risk. The U.S. agency securities are rated AA+ to AAA. The Municipal Bonds are rated AA- to AA+. The negotiable certificates of deposit are not rated (but FDIC insured).

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

3. DEPOSITS AND INVESTMENTS (Continued)

a. District Investments (Continued)

Investments (Continued)

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

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. Illinois Funds is not subject to custodial credit risk.

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 of 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, 2017 consist of the following:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 1,280,000
Capital Improvement Fund	1,280,000	-
TOTAL	\$ 1,280,000	\$ 1,280,000

The purposes of the significant transfers are as follows:

- \$1,280,000 - The General Fund transferred funds to the Capital Improvement Fund for future 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, 2017 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	12,643,442	-	-	12,643,442
Vehicles and equipment	5,425,708	576,551	105,583	5,896,676
Total capital assets being depreciated	18,069,150	576,551	105,583	18,540,118
Less accumulated depreciation for				
Buildings	6,259,856	462,721	-	6,722,577
Vehicles and equipment	1,859,830	394,831	100,508	2,154,153
Total accumulated depreciation	8,119,686	857,552	100,508	8,876,730
Total capital assets being depreciated, net	9,949,464	(281,001)	5,075	9,663,388
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 10,699,464</u>	<u>\$ (281,001)</u>	<u>\$ 5,075</u>	<u>\$ 10,413,388</u>

Depreciation expense of \$857,552 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, 2017:

	Balances June 1	Additions	Reductions	Balances May 31	Current Portion	Long-Term Portion
GOVERNMENTAL ACTIVITIES						
Compensated absences payable	\$ 1,346,515	\$ 382,499	\$ 201,977	\$ 1,527,037	\$ 229,056	\$ 1,297,981
Net other postemployment benefit obligation	3,605,562	100,767	-	3,706,329	-	3,706,329
Net pension liability - Firefighters' Pension Fund	29,933,254	914,555	-	30,847,809	-	30,847,809
Net pension liability - IMRF	420,628	-	32,728	387,900	-	387,900
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 35,305,959</u>	<u>\$ 1,397,821</u>	<u>\$ 234,705</u>	<u>\$ 36,469,075</u>	<u>\$ 229,056</u>	<u>\$ 36,240,019</u>

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

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, 2017.

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)

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, 2016 (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/> <hr/>

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.

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 (Continued)

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. 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.

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 December 31, 2016 and 2017 was 12.02% and 14.18%, respectfully, of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2016 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.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012).

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-2014 (base year 2012). 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, 2016 was 7.50%. The discount rate at December 31, 2015 was 7.26%. 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, 2016	\$ 1,629,779	\$ 1,209,151	\$ 420,628
Changes for the period			
Service cost	38,693	-	38,693
Interest	116,582	-	116,582
Difference between expected and actual experience	(10,167)	-	(10,167)
Changes in assumptions	(43,210)	-	(43,210)
Employer contributions	-	35,206	(35,206)
Employee contributions	-	13,181	(13,181)
Net investment income	-	95,288	(95,288)
Benefit payments and refunds	(86,614)	(86,614)	-
Other (net transfer)	-	(9,049)	9,049
Net changes	15,284	48,012	63,296
BALANCES AT DECEMBER 31, 2016	\$ 1,645,063	\$ 1,257,163	\$ 387,900

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

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

For the year ended December 31, 2016, the District recognized pension expense of \$87,316.

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 December 31, 2016, 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	\$ 19,469	\$ 6,741
Changes in assumption	9,876	28,651
Net difference between projected and actual earnings on pension plan investments	51,430	5,100
Contributions made subsequent to the measurement date	18,524	-
	<hr/>	<hr/>
TOTAL	\$ 99,299	\$ 40,492

\$18,524 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 ended May 31, 2018. 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,	
2018	\$ 25,086
2019	605
2020	15,867
2021	(1,275)
2022	-
Thereafter	-
	<hr/>
TOTAL	\$ 40,283

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 to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 581,145	\$ 387,900	\$ 226,404

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, 2017, membership consisted of:

Inactive plan members currently receiving benefits	56
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>51</u>
TOTAL	<u><u>107</u></u>

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 2.5% 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 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 2.5% 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.

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, 2017, the District's contribution was 53% 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 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%	6.60%
U.S. Small Cap Stocks	20.00%	8.60%
Foreign Securities	10.00%	6.90%

The long-term expected real rates of return are net of a 3.01% 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 3.01%) 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, 2017 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, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.55%. 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, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury securities	\$ 1,967,858	\$ -	\$ 633,764	\$ 1,334,094	\$ -
U.S. agency securities	11,195,219	101,856	1,891,651	8,262,532	939,180
Municipal bonds	3,219,209	-	1,366,680	1,095,483	757,046
Corporate bonds	3,870,255	298,121	1,905,730	1,666,404	-
Negotiable CDs	105,441	105,441	-	-	-
TOTAL	\$ 20,357,982	\$ 505,418	\$ 5,797,825	\$ 12,358,513	\$ 1,696,226

Interest Rate Risk

The Fund has the following recurring fair value measurements as of May 31, 2017: The mutual 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 U.S. treasury and agency securities are rated AA+. The municipal bonds are rated AA- to AAA. The corporate bonds are rated BBB+ to AAA. 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, 2016	\$ 72,271,336	\$ 42,338,082	\$ 29,933,254
Changes for the period			
Service cost	1,150,663	-	1,150,663
Interest	4,927,593	-	4,927,593
Difference between expected and actual experience	2,047,017	-	2,047,017
Changes in assumptions	(149,403)	-	(149,403)
Employer contributions	-	2,592,620	(2,592,620)
Employee contributions	-	458,538	(458,538)
Other contributions	-	-	-
Net investment income	-	4,051,041	(4,051,041)
Benefit payments and refunds	(3,754,302)	(3,754,302)	-
Administrative expense	-	(40,884)	40,884
Net changes	4,221,568	3,307,013	914,555
BALANCES AT MAY 31, 2017	\$ 76,492,904	\$ 45,645,095	\$ 30,847,809

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

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, 2017 using the following actuarial methods and assumptions.

Actuarial valuation date	May 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 14.60%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on a 2016 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	\$ 41,581,436	\$ 30,847,809	\$ 22,050,167

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

For the year ended May 31, 2017, the District recognized pension expense of \$3,833,970.

At May 31, 2017, 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	\$ 1,759,457	\$ -
Changes in assumption	2,198,078	127,431
Net difference between projected and actual earnings on pension plan investments	1,746,178	890,732
TOTAL	<u>\$ 5,703,713</u>	<u>\$ 1,018,163</u>

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:

<u>Fiscal Year</u> <u>Ending</u> <u>May 31,</u>	
2018	\$ 1,110,993
2019	1,110,992
2020	1,110,990
2021	528,936
2022	600,386
Thereafter	<u>223,253</u>
TOTAL	<u>\$ 4,685,550</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.

c. Membership

At May 31, 2016 (the latest actuarial valuation date), membership consisted of:

Retirees and beneficiaries currently receiving benefits	27
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>53</u>
TOTAL	<u>80</u>
Participating employers	<u><u>1</u></u>

d. Funding Policy

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three fiscal years are as follows:

Fiscal Year Ended May 31,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 1,080,317	\$ 585,064	54.2%	\$ 3,544,899
2016	693,515	632,852	91.3%	3,065,562
2017	720,714	619,947	86.0%	3,706,329

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as May 31, 2017 was calculated as follows:

Annual required contribution	\$ 696,678
Interest on net OPEB obligation	144,222
Adjustment to annual required contribution	<u>(120,185)</u>
Annual OPEB cost	720,714
Contributions made	<u>619,947</u>
Increase in net OPEB obligation	100,767
Net OPEB obligation, beginning of year	<u>3,605,562</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 3,706,329</u>

Funded Status and Funding Progress. The funded status of the plan as of May 31, 2016 (the latest actuarial valuation date) was as follows:

Actuarial accrued liability (AAL)	\$ 8,701,134
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	8,701,134
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 5,090,702
UAAL as a percentage of covered payroll	170.9%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial methods and assumptions involve the projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 31, 2016 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return and an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5.0%. Both rates include a 5.0% wage inflation assumption. The actuarial value of assets was not determined as the District has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30-year open basis.

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, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 8,190,802	\$ 10,123,789	\$ 1,932,987
Personal property replacement taxes	225,000	304,786	79,786
Charges for services	1,409,110	1,389,875	(19,235)
Intergovernmental	50,000	259,204	209,204
Investment income	130,000	52,063	(77,937)
Miscellaneous	45,000	45,878	878
Total revenues	10,049,912	12,175,595	2,125,683
EXPENDITURES			
Current			
Public safety			
Administrative	279,400	246,824	(32,576)
Wages	5,311,700	4,448,617	(863,083)
Pension contributions	84,360	2,642,680	2,558,320
Operational - miscellaneous	1,243,227	1,021,465	(221,762)
Paramedic services	585,825	585,825	-
Buildings and grounds	223,400	183,387	(40,013)
Insurance	2,315,000	1,787,284	(527,716)
Total expenditures	10,042,912	10,916,082	873,170
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,000	1,259,513	1,252,513
OTHER FINANCING SOURCES (USES)			
Transfers in	2,400	-	(2,400)
Transfers (out)	(7,000)	(1,280,000)	(1,273,000)
Proceeds from the sale of capital assets	-	27,645	27,645
Total other financing sources (uses)	(4,600)	(1,252,355)	(1,247,755)
NET CHANGE IN FUND BALANCE	<u>\$ 2,400</u>	7,158	<u>\$ 4,758</u>
FUND BALANCE, JUNE 1		<u>3,980,599</u>	
FUND BALANCE, MAY 31		<u>\$ 3,987,757</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
TORT LIABILITY INSURANCE FUND**

For the Year Ended May 31, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 1,433,495	\$ 1,428,619	\$ (4,876)
Total revenues	<u>1,433,495</u>	<u>1,428,619</u>	<u>(4,876)</u>
EXPENDITURES			
Current			
Public safety			
Wages	845,030	1,084,877	239,847
Insurance	<u>588,465</u>	<u>405,953</u>	<u>(182,512)</u>
Total expenditures	<u>1,433,495</u>	<u>1,490,830</u>	<u>57,335</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(62,211)</u>	<u>\$ (62,211)</u>
FUND BALANCE, JUNE 1		<u>87,468</u>	
FUND BALANCE, MAY 31		<u>\$ 25,257</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2017

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, 2017.

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

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Amount
General	\$ 873,170
Capital Improvement	7,412
Tort Liability Insurance	57,335
Audit	7,519
Social Security	812
Foreign Fire Insurance	26,623

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

FISCAL YEAR ENDED MAY 31,	2016	2017
Actuarially determined contribution	\$ 37,297	\$ 39,008
Contribution in relation to the actuarially determined contribution	37,297	39,008
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -
Covered-employee payroll	\$ 301,106	\$ 298,243
Contributions as a percentage of covered-employee payroll	12.39%	13.08%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2016. 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 27 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 3.75% to 14.50% 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.

**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 Two Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 38,857	\$ 38,693
Interest	106,496	116,582
Changes of benefit terms	-	-
Differences between expected and actual experience	55,563	(10,167)
Changes of assumptions	28,186	(43,210)
Benefit payments, including refunds of member contributions	(30,298)	(86,614)
Net change in total pension liability	198,804	15,284
Total pension liability - beginning	1,430,975	1,629,779
TOTAL PENSION LIABILITY - ENDING	\$ 1,629,779	\$ 1,645,063
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 34,506	\$ 35,206
Contributions - member	13,550	13,181
Net investment income	6,299	95,288
Benefit payments, including refunds of member contributions	(30,298)	(86,614)
Other	(65,838)	(9,049)
Net change in plan fiduciary net position	(41,781)	48,012
Plan fiduciary net position - beginning	1,250,932	1,209,151
PLAN FIDUCIARY NET POSITION - ENDING	\$ 1,209,151	\$ 1,257,163
EMPLOYER'S NET PENSION LIABILITY	\$ 420,628	\$ 387,900
Plan fiduciary net position as a percentage of the total pension liability	74.19%	76.42%
Covered-employee payroll	\$ 301,106	\$ 292,900
Employer's net pension liability as a percentage of covered-employee payroll	139.69%	132.43%

In 2016, assumptions were changed related to retirement age and mortality.

In 2017, assumptions were changed related to retirement age mortality and discount 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 EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Three Fiscal Years

FISCAL YEAR ENDED MAY 31,	2015	2016	2017
Actuarially determined contribution	\$ 1,855,680	\$ 1,940,455	\$ 2,045,213
Contribution in relation to the actuarially determined contribution	1,681,984	1,971,893	2,592,620
CONTRIBUTION DEFICIENCY (Excess)	\$ 173,696	\$ (31,438)	\$ (547,407)
Covered-employee payroll	\$ 4,785,045	\$ 4,665,296	\$ 4,894,331
Contributions as a percentage of covered-employee payroll	35.15%	42.27%	52.97%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 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 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 1.00% to 12.10% 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 Three Fiscal Years

MEASUREMENT DATE, MAY 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 1,134,726	\$ 1,079,139	\$ 1,150,663
Interest	4,416,114	4,566,004	4,927,593
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	19,232	2,047,017
Changes of assumptions	-	3,137,430	(149,403)
Benefit payments, including refunds of member contributions	(3,301,009)	(3,518,146)	(3,754,302)
Net change in total pension liability	2,249,831	5,283,659	4,221,568
Total pension liability - beginning	64,737,846	66,987,677	72,271,336
TOTAL PENSION LIABILITY - ENDING	\$ 66,987,677	\$ 72,271,336	\$ 76,492,904
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 1,681,984	\$ 1,971,893	\$ 2,592,620
Contributions - member	435,154	452,947	458,538
Net investment income	2,239,373	87,984	4,051,041
Benefit payments, including refunds of member contributions	(3,301,011)	(3,518,146)	(3,754,302)
Administrative expense	(41,969)	(71,692)	(40,884)
Net change in plan fiduciary net position	1,013,531	(1,077,014)	3,307,013
Plan fiduciary net position - beginning	42,401,565	43,415,096	42,338,082
PLAN FIDUCIARY NET POSITION - ENDING	\$ 43,415,096	\$ 42,338,082	\$ 45,645,095
EMPLOYER'S NET PENSION LIABILITY	\$ 23,572,581	\$ 29,933,254	\$ 30,847,809
Plan fiduciary net position as a percentage of the total pension liability	64.81%	59.00%	67.58%
Covered-employee payroll	\$ 4,785,045	\$ 4,665,296	\$ 4,894,331
Employer's net pension liability as a percentage of covered-employee payroll	492.63%	371.00%	630.28%

In 2016, assumptions were changed related to mortality rate.

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

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 Three Fiscal Years

FISCAL YEAR ENDED MAY 31,	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	6.54%	0.19%	9.55%

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 FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

May 31, 2017

Actuarial Valuation Date May 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2012	\$ -	N/A	0.00%	N/A	N/A	0.00%
2013	-	\$ 14,798,952	0.00%	\$ 14,798,952	\$ 5,081,086	291.26%
2014	-	N/A	0.00%	N/A	N/A	0.00%
2015	-	N/A	0.00%	N/A	N/A	0.00%
2016	-	8,701,134	0.00%	8,701,134	5,090,702	170.92%
2017	-	N/A	0.00%	N/A	N/A	0.00%

N/A - Information is not available. Valuations are performed triannually in accordance with GASB Statement No. 45.

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN

May 31, 2017

Fiscal Year May 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	\$ 300,999	\$ 943,969	31.89%
2013	497,493	1,053,241	47.23%
2014	570,226	1,053,241	54.14%
2015	585,064	1,053,241	55.55%
2016	632,852	669,882	94.47%
2017	619,947	696,678	88.99%

(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, 2017

	<u>Corporate</u>	<u>Ambulance</u>
ASSETS		
Cash and investments	\$ 202,182	\$ 216,384
Receivables		
Property taxes	6,139,804	4,231,911
Interest	31,830	-
Other	12,625	375
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 6,386,441</u>	<u>\$ 4,448,670</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 22,571	\$ 18,659
Accrued payroll	46,656	43,977
	<u> </u>	<u> </u>
Total liabilities	<u>69,227</u>	<u>62,636</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	6,139,804	4,231,911
	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>6,139,804</u>	<u>4,231,911</u>
	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	<u>6,209,031</u>	<u>4,294,547</u>
FUND BALANCES		
Assigned		
Cash reserves	-	-
Unassigned	177,410	154,123
	<u> </u>	<u> </u>
Total fund balances	<u>177,410</u>	<u>154,123</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,386,441</u>	<u>\$ 4,448,670</u>

Rescue	Operating Reserve	Total
\$ 47,855	\$ 3,608,369	\$ 4,074,790
549,599	-	10,921,314
-	-	31,830
-	-	13,000
<hr/>		
\$ 597,454	\$ 3,608,369	\$ 15,040,934

\$ -	\$ -	\$ 41,230
-	-	90,633
<hr/>		
-	-	131,863

549,599	-	10,921,314
<hr/>		
549,599	-	10,921,314
<hr/>		
549,599	-	11,053,177

-	3,608,369	3,608,369
47,855	-	379,388
<hr/>		
47,855	3,608,369	3,987,757
<hr/>		
\$ 597,454	\$ 3,608,369	\$ 15,040,934

(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, 2017

	Corporate	Ambulance
REVENUES		
Property taxes	\$ 5,798,845	\$ 3,843,200
Replacement taxes	304,786	-
Charges for services	146,445	1,243,430
Intergovernmental	259,204	-
Investment income	52,063	-
Miscellaneous	8,872	37,006
	<hr/>	<hr/>
Total revenues	6,570,215	5,123,636
	<hr/>	<hr/>
EXPENDITURES		
Current		
Public safety		
Administrative	144,068	102,756
Wages	2,229,963	2,218,654
Pension contributions	1,992,680	650,000
Operational - miscellaneous	509,516	511,949
Paramedic services	-	146,456
Buildings and grounds	86,051	97,336
Insurance	894,882	892,402
	<hr/>	<hr/>
Total expenditures	5,857,160	4,619,553
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	713,055	504,083
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(750,000)	(530,000)
Proceeds from the sale of capital assets	27,645	-
	<hr/>	<hr/>
Total other financing sources (uses)	(722,355)	(530,000)
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(9,300)	(25,917)
	<hr/>	<hr/>
FUND BALANCES, JUNE 1	186,710	180,040
	<hr/>	<hr/>
FUND BALANCES, MAY 31	<u>\$ 177,410</u>	<u>\$ 154,123</u>

Rescue	Operating Reserve	Eliminations	Total		
\$ 481,744	\$ -	\$ -	\$ 10,123,789		
-	-	-	304,786		
-	-	-	1,389,875		
-	-	-	259,204		
-	-	-	52,063		
-	-	-	45,878		
481,744	-	-	12,175,595		
-	-	-	246,824		
-	-	-	4,448,617		
-	-	-	2,642,680		
-	-	-	1,021,465		
439,369	-	-	585,825		
-	-	-	183,387		
-	-	-	1,787,284		
439,369	-	-	10,916,082		
42,375	-	-	1,259,513		
-	-	-	(1,280,000)		
-	-	-	27,645		
-	-	-	(1,252,355)		
42,375	-	-	7,158		
5,480	3,608,369	-	3,980,599		
\$ 47,855	\$ 3,608,369	\$ -	\$ 3,987,757		

(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, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 3,853,695	\$ 5,798,845	\$ 1,945,150
Replacement taxes	225,000	304,786	79,786
Charges for services	200,000	146,445	(53,555)
Intergovernmental	50,000	259,204	209,204
Investment income	130,000	52,063	(77,937)
Miscellaneous	30,000	8,872	(21,128)
Total revenues	4,488,695	6,570,215	2,081,520
EXPENDITURES			
Current			
Public safety			
Administrative	138,350	144,068	5,718
Wages	2,667,900	2,229,963	(437,937)
Pension contributions	25,000	1,992,680	1,967,680
Operational - miscellaneous			
Photography	1,000	-	(1,000)
Communication	15,700	4,789	(10,911)
Dispatch services	-	1,612	1,612
IT contractual services	-	68,295	68,295
Hydrant and opticom	16,000	6,159	(9,841)
Fire prevention	8,500	8,974	474
Equipment repairs	2,000	3,050	1,050
Fire investigation	650	-	(650)
Conference and travel	27,500	17,851	(9,649)
Dive team	3,000	527	(2,473)
Medical equipment supplies	8,000	7,180	(820)
Fire extinguishers	3,100	1,732	(1,368)
Ladders	3,000	912	(2,088)
SCBA	7,500	7,232	(268)
Public education	13,245	13,927	682
Vehicle repair and parts	134,500	287,062	152,562
Vehicle operating	44,000	17,437	(26,563)
TRS	4,500	1,297	(3,203)
Firefighting equipment	6,050	6,348	298
Training	46,500	21,000	(25,500)
Fire hose	6,000	5,269	(731)
Turnout gear	-	1,134	1,134
Information technology	-	2,166	2,166
Uniforms	29,000	23,066	(5,934)
Hazmat team	7,000	2,497	(4,503)
Audit	3,000	-	(3,000)
Buildings and grounds	106,700	86,051	(20,649)
Insurance	1,157,500	894,882	(262,618)
Total expenditures	4,485,195	5,857,160	1,371,965
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,500	713,055	709,555

(This schedule is continued on the following page.)

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

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

For the Year Ended May 31, 2017

	Original and Final Budget	Actual	Variance Over (Under)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	\$ (3,500)	\$ (750,000)	\$ (746,500)
Proceeds from the sale of capital assets	-	27,645	27,645
Total other financing sources (uses)	(3,500)	(722,355)	(718,855)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(9,300)</u>	<u>\$ (9,300)</u>
FUND BALANCE, JUNE 1		<u>186,710</u>	
FUND BALANCE, MAY 31		<u>\$ 177,410</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
AMBULANCE SUBFUND

For the Year Ended May 31, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 3,853,695	\$ 3,843,200	\$ (10,495)
Charges for services	1,209,110	1,243,430	34,320
Miscellaneous	15,000	37,006	22,006
Total revenues	5,077,805	5,123,636	45,831
EXPENDITURES			
Current			
Public safety			
Administrative	141,050	102,756	(38,294)
Wages	2,643,800	2,218,654	(425,146)
Pension contributions	59,360	650,000	590,640
Operational - miscellaneous			
Photography	1,000	-	(1,000)
Communication	7,500	1,759	(5,741)
Dispatch services	250,000	162,263	(87,737)
IT contractual services	180,000	95,531	(84,469)
Equipment repairs	8,500	5,759	(2,741)
Conference and travel	27,500	17,851	(9,649)
Medical equipment supplies	16,600	15,280	(1,320)
Public education	7,500	2,655	(4,845)
Vehicle repair and parts	51,500	20,538	(30,962)
Vehicle operating	44,000	17,437	(26,563)
Training	29,300	15,589	(13,711)
Firefighting equipment	6,050	3,885	(2,165)
EMS billing fees	60,000	49,873	(10,127)
Turnout gear	60,032	35,263	(24,769)
Information technology	72,000	45,206	(26,794)
Uniforms	29,000	23,060	(5,940)
Audit	3,000	-	(3,000)
Paramedic services	102,413	146,456	44,043
Buildings and grounds	116,700	97,336	(19,364)
Insurance	1,157,500	892,402	(265,098)
Total expenditures	5,074,305	4,619,553	(454,752)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,500	504,083	500,583
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(3,500)	(530,000)	(526,500)
Total other financing sources (uses)	(3,500)	(530,000)	(526,500)
NET CHANGE IN FUND BALANCE	\$ -	(25,917)	\$ (25,917)
FUND BALANCE, JUNE 1		180,040	
FUND BALANCE, MAY 31		\$ 154,123	

(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, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 483,412	\$ 481,744	\$ (1,668)
Total revenues	483,412	481,744	(1,668)
EXPENDITURES			
Current			
Public safety			
Paramedic services	483,412	439,369	(44,043)
Total expenditures	483,412	439,369	(44,043)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	42,375	<u>\$ 42,375</u>
FUND BALANCE, JUNE 1		<u>5,480</u>	
FUND BALANCE, MAY 31		<u>\$ 47,855</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, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	2,400	-	(2,400)
Total other financing sources (uses)	2,400	-	(2,400)
NET CHANGE IN FUND BALANCE	<u>\$ 2,400</u>	-	<u>\$ (2,400)</u>
FUND BALANCE, JUNE 1		<u>3,608,369</u>	
FUND BALANCE, MAY 31		<u>\$ 3,608,369</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

BALANCE SHEET
TORT LIABILITY INSURANCE FUND

May 31, 2017

ASSETS	
Cash and investments	\$ 1,838
Receivables	
Property taxes	677,465
Prepaid items	<u>37,215</u>
TOTAL ASSETS	<u><u>\$ 716,518</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accrued payroll	<u>\$ 13,796</u>
Total liabilities	<u>13,796</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>677,465</u>
Total deferred inflows of resources	<u>677,465</u>
Total liabilities and deferred inflows of resources	<u>691,261</u>
 FUND BALANCE	
Nonspendable	37,215
Unassigned (deficit)	<u>(11,958)</u>
Total fund balance	<u>25,257</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u><u>\$ 716,518</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
TORT LIABILITY INSURANCE FUND**

For the Year Ended May 31, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 1,433,495	\$ 1,428,619	\$ (4,876)
Total revenues	<u>1,433,495</u>	<u>1,428,619</u>	<u>(4,876)</u>
EXPENDITURES			
Current			
Public safety			
Wages	845,030	1,084,877	239,847
Insurance	<u>588,465</u>	<u>405,953</u>	<u>(182,512)</u>
Total expenditures	<u>1,433,495</u>	<u>1,490,830</u>	<u>57,335</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(62,211)</u>	<u>\$ (62,211)</u>
FUND BALANCE, JUNE 1		<u>87,468</u>	
FUND BALANCE, MAY 31		<u>\$ 25,257</u>	

(See independent auditor's report.)

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

**BALANCE SHEET
CAPITAL IMPROVEMENT FUND**

May 31, 2017

ASSETS

Cash and investments	<u>\$ 4,829,123</u>
TOTAL ASSETS	<u><u>\$ 4,829,123</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	<u>\$ 9,401</u>
Total liabilities	<u>9,401</u>

FUND BALANCE

Assigned	
Capital improvements	<u>4,819,722</u>
Total fund balance	<u>4,819,722</u>

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 4,829,123</u></u>
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(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, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Grants	\$ -	\$ 17,750	\$ 17,750
Total revenues	-	17,750	17,750
EXPENDITURES			
Capital outlay	460,000	467,412	7,412
Total expenditures	460,000	467,412	7,412
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(460,000)	(449,662)	10,338
OTHER FINANCING SOURCES (USES)			
Transfers in	4,600	1,280,000	1,275,400
Total other financing sources (uses)	4,600	1,280,000	1,275,400
NET CHANGE IN FUND BALANCE	<u>\$ (455,400)</u>	830,338	<u>\$ 1,285,738</u>
FUND BALANCE, JUNE 1		<u>3,989,384</u>	
FUND BALANCE, MAY 31		<u>\$ 4,819,722</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

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 employers 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, 2017

	Special Revenue				Total Nonmajor Governmental
	Audit	Social Security	Illinois Municipal Retirement	Foreign Fire Insurance	
ASSETS					
Cash and investments	\$ 484	\$ 13,907	\$ 55,107	\$ 34,770	\$ 104,268
Receivables					
Property taxes	19,068	121,136	50,473	-	190,677
TOTAL ASSETS	\$ 19,552	\$ 135,043	\$ 105,580	\$ 34,770	\$ 294,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	19,068	121,136	50,473	-	190,677
Total deferred inflows of resources	19,068	121,136	50,473	-	190,677
Total liabilities and deferred inflows of resources	19,068	121,136	50,473	-	190,677
FUND BALANCES					
Restricted					
Audit	484	-	-	-	484
Social Security	-	13,907	-	-	13,907
IMRF	-	-	55,107	-	55,107
Public safety	-	-	-	34,770	34,770
Total fund balances	484	13,907	55,107	34,770	104,268
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,552	\$ 135,043	\$ 105,580	\$ 34,770	\$ 294,945

(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, 2017

	Special Revenue				Total Nonmajor Governmental
	Audit	Social Security	Illinois Municipal Retirement	Foreign Fire Insurance	
REVENUES					
Property taxes	\$ 19,543	\$ 107,488	\$ 47,881	\$ -	\$ 174,912
Foreign fire insurance tax	-	-	-	80,262	80,262
Total revenues	19,543	107,488	47,881	80,262	255,174
EXPENDITURES					
Current					
Public safety					
Audit	27,400	-	-	-	27,400
Social Security	-	30,981	-	-	30,981
Medicare	-	77,605	-	-	77,605
IMRF	-	-	39,008	-	39,008
Operational - miscellaneous	-	-	-	126,623	126,623
Total expenditures	27,400	108,586	39,008	126,623	301,617
NET CHANGE IN FUND BALANCES	(7,857)	(1,098)	8,873	(46,361)	(46,443)
FUND BALANCES, JUNE 1	8,341	15,005	46,234	81,131	150,711
FUND BALANCES, MAY 31	\$ 484	\$ 13,907	\$ 55,107	\$ 34,770	\$ 104,268

(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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Property taxes	\$ 19,881	\$ 19,543	\$ (338)
Total revenues	<u>19,881</u>	<u>19,543</u>	<u>(338)</u>
EXPENDITURES			
Current			
Public safety			
Audit	<u>19,881</u>	<u>27,400</u>	<u>7,519</u>
Total expenditures	<u>19,881</u>	<u>27,400</u>	<u>7,519</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(7,857)</u>	<u>\$ (7,857)</u>
FUND BALANCE, JUNE 1		<u>8,341</u>	
FUND BALANCE, MAY 31		<u>\$ 484</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, 2017

	Original and Final Budget	Actual	Variance Over (Under)
<hr/>			
REVENUES			
Property taxes	\$ 107,774	\$ 107,488	\$ (286)
Total revenues	107,774	107,488	(286)
<hr/>			
EXPENDITURES			
Current			
Public safety			
Social Security	43,000	30,981	(12,019)
Medicare	64,774	77,605	12,831
Total expenditures	107,774	108,586	812
<hr/>			
NET CHANGE IN FUND BALANCE	\$ -	(1,098)	\$ (1,098)
<hr/>			
FUND BALANCE, JUNE 1		15,005	
<hr/>			
FUND BALANCE, MAY 31		\$ 13,907	
<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, 2017

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 48,132	\$ 47,881	\$ (251)
Total revenues	<u>48,132</u>	<u>47,881</u>	<u>(251)</u>
EXPENDITURES			
Current			
Public safety			
IMRF	<u>48,132</u>	<u>39,008</u>	<u>(9,124)</u>
Total expenditures	<u>48,132</u>	<u>39,008</u>	<u>(9,124)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>8,873</u>	<u>\$ 8,873</u>
FUND BALANCE, JUNE 1		<u>46,234</u>	
FUND BALANCE, MAY 31		<u>\$ 55,107</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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Foreign fire insurance tax	\$ 50,000	\$ 80,262	\$ 30,262
Total revenues	<u>50,000</u>	<u>80,262</u>	<u>30,262</u>
EXPENDITURES			
Current			
Public safety			
Operational - miscellaneous	<u>100,000</u>	<u>126,623</u>	<u>26,623</u>
Total expenditures	<u>100,000</u>	<u>126,623</u>	<u>26,623</u>
NET CHANGE IN FUND BALANCE	<u>\$ (50,000)</u>	<u>(46,361)</u>	<u>\$ 3,639</u>
FUND BALANCE, JUNE 1		<u>81,131</u>	
FUND BALANCE, MAY 31		<u>\$ 34,770</u>	

(See independent auditor's report.)

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.	70-77
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the sales tax.	78-83
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.	84-86
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.	87-88
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.	89-91

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	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 6,954,431	\$ 6,910,165	\$ 6,522,422	\$ 6,400,604
Restricted				
Audit	-	-	-	-
Social Security	-	-	-	-
IMRF	-	-	-	-
Insurance	-	-	-	-
Public safety	-	-	-	-
Net pension asset	-	-	-	-
Unrestricted	4,975,026	5,049,354	5,224,433	4,910,139
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,929,457	\$ 11,959,519	\$ 11,746,855	\$ 11,310,743

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

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
<hr/>					
\$ 5,957,971	\$ 6,632,122	\$ 7,539,458	\$ 8,824,749	\$ 10,699,464	\$ 10,413,388
6,519	6,017	5,790	10,125	8,341	484
8,547	16,872	14,939	18,936	15,005	13,907
15,062	19,316	27,574	37,054	46,234	55,107
282,661	237,928	46,403	-	-	-
73,551	104,401	98,867	77,908	81,131	34,770
734,019	-	-	-	-	-
5,851,070	6,148,724	5,026,192	4,853,627	(22,095,983)	(22,891,982)
<hr/>					
\$ 12,929,400	\$ 13,165,380	\$ 12,759,223	\$ 13,822,399	\$ (11,245,808)	\$ (12,374,326)
<hr/>					

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
EXPENSES				
Governmental activities				
Public safety	\$ 9,116,168	\$ 9,784,529	\$ 10,400,172	\$ 11,599,795
General government	258,398	147,969	273,008	306,211
Health and welfare	90,944	100,085	101,759	109,773
Interest	16,855	14,193	6,163	5,043
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 9,482,365	\$ 10,046,776	\$ 10,781,102	\$ 12,020,822
PROGRAM REVENUES				
Governmental activities				
Charges for services	\$ 193,608	\$ 170,423	\$ 241,649	\$ 832,107
Operating grants and contributions	2,084	55,638	60,839	171,452
Capital grants and contributions	42,839	35,900	32,200	43,150
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 238,531	\$ 261,961	\$ 334,688	\$ 1,046,709
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	\$ (9,243,834)	\$ (9,784,815)	\$ (10,446,414)	\$ (10,974,113)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 8,905,083	\$ 9,227,569	\$ 9,787,140	\$ 9,826,789
Replacement	323,558	283,649	235,518	288,377
Intergovernmental - foreign fire insurance	44,812	48,186	55,417	58,405
Investment income	411,517	136,864	68,708	96,823
Health insurance reimbursement	-	-	-	199,724
Workers insurance benefits collected	94,443	104,176	64,823	20,338
Miscellaneous	9,921	14,433	22,144	47,545
Total governmental activities	9,789,334	9,814,877	10,233,750	10,538,001
TOTAL PRIMARY GOVERNMENT	\$ 9,789,334	\$ 9,814,877	\$ 10,233,750	\$ 10,538,001
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 545,500	\$ 30,062	\$ (212,664)	\$ (436,112)

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

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ 11,458,835	\$ 11,759,697	\$ 13,045,241	\$ 12,356,260	\$ 14,090,929	\$ 15,005,656
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,351	-	-	-
\$ 11,458,835	\$ 11,759,697	\$ 13,046,592	\$ 12,356,260	\$ 14,090,929	\$ 15,005,656
\$ 907,472	\$ 1,155,768	\$ 1,156,318	\$ 1,226,170	\$ 1,389,564	\$ 1,389,875
424,890	296,797	39,100	284,447	82,064	276,954
-	-	-	-	-	-
\$ 1,332,362	\$ 1,452,565	\$ 1,195,418	\$ 1,510,617	\$ 1,471,628	\$ 1,666,829
\$ (10,126,473)	\$ (10,307,132)	\$ (11,851,174)	\$ (10,845,643)	\$ (12,619,301)	\$ (13,338,827)
\$ 10,132,733	\$ 10,282,754	\$ 10,510,709	\$ 10,996,319	\$ 11,337,122	\$ 11,727,320
256,366	271,209	284,236	297,505	273,890	304,786
55,518	64,786	64,682	69,952	73,585	80,262
39,194	79,346	65,769	123,141	166,184	52,063
-	-	-	-	-	-
-	-	-	-	-	-
544,362	427,766	466,024	421,902	55,328	45,878
11,028,173	11,125,861	11,391,420	11,908,819	11,906,109	12,210,309
\$ 11,028,173	\$ 11,125,861	\$ 11,391,420	\$ 11,908,819	\$ 11,906,109	\$ 12,210,309
\$ 901,700	\$ 818,729	\$ (459,754)	\$ 1,063,176	\$ (713,192)	\$ (1,128,518)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL FUND				
Restricted	\$ 29,285	\$ 31,163	\$ 35,870	\$ 36,045
Assigned				
Operating reserve	-	-	-	-
Unassigned				
General subfund	914,220	453,845	(27,515)	3,359
Ambulance subfund	209,876	302,489	603,906	658,576
Rescue subfund	185,362	281,043	365,407	424,665
TOTAL GENERAL FUND	\$ 1,338,743	\$ 1,068,540	\$ 977,668	\$ 1,122,645
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted				
Audit	6,508	8,952	9,374	8,356
Insurance	-	-	-	-
Social Security	7,166	8,734	10,327	11,539
IMRF	-	3,630	8,640	17,058
Foreign fire insurance fund			42,262	28,676
Assigned				
Operating reserve	1,518,306	1,909,824	1,952,398	1,966,941
Capital projects	2,106,895	2,458,781	3,362,068	3,573,570
Unassigned				
Special revenue	(2,358)	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 3,636,517	\$ 4,389,921	\$ 5,385,069	\$ 5,606,140
TOTAL ALL GOVERNMENTAL FUNDS	\$ 4,975,260	\$ 5,458,461	\$ 6,362,737	\$ 6,728,785

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

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,137,143	2,214,114	2,335,471	3,108,369	3,608,369	3,608,369
503,794	1,209,315	1,419,482	455,220	186,710	177,410
993,813	1,566,864	1,787,702	401,580	180,040	154,123
540,036	139,212	125,787	11,002	5,480	47,855
\$ 4,174,786	\$ 5,129,505	\$ 5,668,442	\$ 3,976,171	\$ 3,980,599	\$ 3,987,757
\$ 702,699	\$ 53,597	\$ -	\$ 550,479	\$ 96,887	\$ 37,215
6,519	6,017	5,790	10,125	8,341	484
282,661	237,928	147,983	-	-	-
8,547	16,872	14,939	18,936	15,005	13,907
15,062	19,316	27,574	37,054	46,234	55,107
73,551	104,401	98,867	77,908	81,131	34,770
-	-	-	-	-	-
3,640,805	4,173,726	3,518,609	4,575,624	3,989,384	4,819,722
-	-	-	(4,510)	(9,419)	(11,958)
\$ 4,729,844	\$ 4,611,857	\$ 3,813,762	\$ 5,265,616	\$ 4,227,563	\$ 4,949,247
\$ 8,904,630	\$ 9,741,362	\$ 9,482,204	\$ 9,241,787	\$ 8,208,162	\$ 8,937,004

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
REVENUES				
Property taxes	\$ 9,228,641	\$ 9,511,218	\$ 10,062,343	\$ 10,157,849
Personal property replacement taxes	-	-	-	-
Foreign fire insurance	-	-	-	-
Charges for services	184,332	160,516	241,649	832,107
Intergovernmental	-	-	-	-
Investment income	347,113	101,455	60,485	83,111
Miscellaneous	104,411	164,064	110,471	492,175
Total revenues	9,864,497	9,937,253	10,474,948	11,565,242
EXPENDITURES				
Current				
Public safety	-	-	-	-
Personnel	8,049,340	8,396,034	8,573,673	10,001,272
Administration	258,398	147,969	249,231	306,211
Health and welfare	90,944	100,085	101,759	109,773
Capital outlay	289,390	510,044	271,849	395,061
Total expenditures	8,688,072	9,154,132	9,196,512	10,812,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,176,425	783,121	1,278,436	752,925
OTHER FINANCING SOURCES (USES)				
Transfers in	972,725	720,000	960,000	624,500
Transfers (out)	(1,272,725)	(1,019,920)	(1,346,160)	(1,035,277)
Sale of capital assets	-	-	12,000	23,900
Total other financing sources (uses)	(300,000)	(299,920)	(374,160)	(386,877)
NET CHANGE IN FUND BALANCES	\$ 876,425	\$ 483,201	\$ 904,276	\$ 366,048

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

2012	2013	2014	2015	2016	2017
\$ 10,132,733	\$ 10,282,754	\$ 10,510,709	\$ 10,996,319	\$ 11,337,122	\$ 11,727,320
256,366	271,209	284,236	297,505	273,890	304,786
55,518	64,786	64,682	69,952	73,585	80,262
907,472	1,155,768	1,156,318	1,226,170	1,389,564	1,389,875
424,890	296,797	39,100	284,447	82,064	276,954
39,194	79,346	65,769	123,141	166,184	52,063
544,362	427,766	466,024	421,902	55,328	45,878
12,360,535	12,578,426	12,586,838	13,419,436	13,377,737	13,877,138
10,527,548	10,409,997	11,020,433	11,681,264	11,606,795	12,708,529
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
181,133	1,385,697	2,161,258	2,001,663	2,827,562	467,412
10,708,681	11,795,694	13,181,691	13,682,927	14,434,357	13,175,941
1,651,854	782,732	(594,853)	(263,491)	(1,056,620)	701,197
1,653,585	1,210,800	1,268,000	3,520,000	1,900,000	1,280,000
(1,653,585)	(1,210,800)	(1,268,000)	(3,520,000)	(1,900,000)	(1,280,000)
76,179	54,000	335,695	23,074	22,995	27,645
76,179	54,000	335,695	23,074	22,995	27,645
\$ 1,728,033	\$ 836,732	\$ (259,158)	\$ (240,417)	\$ (1,033,625)	\$ 728,842

**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
2007	\$ 912,890,531	\$ 113,861,642	\$ 386,054,370	\$ 427,187	\$ 1,413,233,730	0.6560	\$ 4,239,701,190	33.333%
2008	969,450,420	118,768,019	414,441,249	472,335	1,503,132,023	0.6530	4,509,396,069	33.333%
2009	968,062,461	115,275,782	407,774,850	470,496	1,491,583,589	0.6614	4,474,750,767	33.333%
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%

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DISTRICT DIRECT RATES										
Corporate	0.3193	0.3111	0.3135	0.3519	0.3645	0.4000	0.3626	0.3774	0.3683	0.3773
Ambulance	0.2307	0.2257	0.2275	0.2551	0.2666	0.3000	0.3623	0.3774	0.3683	0.3773
Tort liability	0.0012	0.0011	0.0011	0.0013	0.0520	0.0834	0.1365	0.1375	0.1370	0.0604
Firefighters' pension	0.0546	0.0639	0.0674	0.0759	0.0763	0.0991	0.1152	0.1202	0.1198	0.1073
Firefighters' pension exempt	0.0024	0.0057	0.0061	0.0071	0.0079	0.0138	0.0185	0.0463	0.0676	0.0628
Audit	0.0012	0.0011	0.0011	0.0013	0.0014	0.0017	0.0018	0.0017	0.0019	0.0017
Emergency rescue	0.0404	0.0385	0.0388	0.0437	0.0470	0.0500	0.0464	0.0467	0.0462	0.0490
IMRF	0.0023	0.0022	0.0022	0.0025	0.0035	0.0042	0.0046	0.0046	0.0046	0.0045
Social Security	0.0039	0.0037	0.0037	0.0060	0.0082	0.0097	0.0104	0.0103	0.0103	0.0108
Total district direct rates	0.6560	0.6530	0.6614	0.7448	0.8274	0.9619	1.0583	1.1221	1.1240	1.0511
OVERLAPPING RATES										
County of DuPage	0.1207	0.1137	0.1135	0.1212	0.1296	0.1410	0.1491	0.1504	0.1441	0.1351
DuPage Health Department	0.0444	0.0420	0.0419	0.0447	0.0477	0.0519	0.0549	0.0553	0.0530	0.0497
Forest Preserve District of DuPage County	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514
Airport Authority	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176
Townships	0.1113	0.1107	0.1114	0.1271	44.1379	0.1636	0.1781	0.1844	0.1792	0.1500
Village of Addison	0.3815	0.3767	0.4137	0.4934	0.5494	0.6543	0.7524	0.8109	0.8393	0.8100
Library	0.2781	0.2782	0.2834	0.3221	0.3656	0.4316	0.4777	0.4988	0.5051	0.4900
Park district	0.3114	0.3055	0.3092	0.3427	0.3747	0.4307	0.4659	0.4800	0.4720	0.4400
School districts	3.4732	3.4454	3.5345	3.9799	4.4054	5.1704	5.6979	5.9181	5.8503	5.5600
Total overlapping rates	4.8563	4.8088	4.9441	5.5790	50.1686	7.2145	7.9595	8.2866	8.2240	7.8038
TOTAL DIRECT AND OVERLAPPING RATES	5.5123	5.4618	5.6055	6.3238	50.9960	8.1764	9.0178	9.4087	9.3480	8.8549

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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
880 S Rohlwing Rd LLC	\$ 9,087,580	1	0.81%	\$ 39,060,966	4	2.76%
Pampered Chef	8,847,070	2	0.79%	125,517,666	1	8.88%
Brookkind Corporation	8,014,700	3	0.71%	29,105,090	8	2.06%
Columbia Illinois	7,777,940	4	0.69%			
Walmart Property Tax Dep	6,881,930	5	0.61%			
AMB Prop Re Tax Co	5,197,240	6	0.46%			
WPI Rohlwing LLC	4,904,540	7	0.44%			
DCT Mitchell Ct. LLC	4,495,180	8	0.40%	29,086,588	9	2.06%
SVF Swift Center LLC	3,976,500	9	0.35%	31,246,964	6	2.21%
Hamilton Partners Inc	3,719,910	10	0.33%	27,561,574	10	1.95%
Riggs & Company				34,330,702	5	2.43%
Mercantile Safe Deposit				44,665,212	2	3.16%
Devry				40,258,676	3	2.85%
Unisource Worldwide				30,955,616	7	2.19%
	<u>\$ 62,902,590</u>		<u>5.59%</u>	<u>\$ 431,789,054</u>		<u>30.55%</u>

Data Source

Village of Addison 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
2007	\$ 9,272,262	\$ 9,227,569	99.52%	-	\$ 9,227,569	99.52%
2008	9,817,341	9,787,140	99.69%	-	9,787,140	99.69%
2009	9,867,982	9,826,789	99.58%	-	9,826,789	99.58%
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	-	0.00%	-	-	0.00%

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	2007	2008	2009	2010
EQUALIZED ASSESSED VALUATION	<u>\$ 1,413,233,730</u>	<u>\$ 1,503,132,023</u>	<u>\$ 1,491,583,589</u>	<u>\$ 1,364,392,417</u>
TAX RATES BY SUBFUND				
Corporate	0.3193	0.3111	0.3135	0.3519
Ambulance	0.2307	0.2257	0.2275	0.2551
Tort liability	0.0012	0.0011	0.0011	0.0013
Social Security	0.0039	0.0037	0.0037	0.0060
IMRF	0.0023	0.0022	0.0022	0.0025
Audit	0.0012	0.0011	0.0011	0.0013
Rescue	0.0404	0.0385	0.0388	0.0437
Firefighters' pension	0.0546	0.0639	0.0674	0.0759
Firefighters' pension exempt	0.0024	0.0057	0.0061	0.0071
TOTAL TAX RATE	<u>0.6560</u>	<u>0.6530</u>	<u>0.6614</u>	<u>0.7448</u>
TAX LEVY AS EXTENDED				
Corporate	\$ 4,513,160	\$ 4,677,144	\$ 4,677,227	\$ 4,802,600
Ambulance	3,260,841	3,393,222	3,394,160	3,481,509
Tort liability	16,961	16,538	16,411	17,742
Social Security	55,125	55,627	55,202	81,885
IMRF	32,509	33,075	32,823	34,119
Audit	16,961	16,538	16,411	17,742
Rescue	571,036	578,817	578,872	596,401
Firefighters' pension	771,746	960,686	1,005,567	1,035,855
Firefighters' pension exempt	33,923	85,695	91,008	96,898
TOTAL EXTENSIONS	<u>\$ 9,272,262</u>	<u>\$ 9,817,342</u>	<u>\$ 9,867,681</u>	<u>\$ 10,164,751</u>
TAXES COLLECTED TO DATE	<u>\$ 9,227,569</u>	<u>\$ 9,787,140</u>	<u>\$ 9,826,789</u>	<u>\$ 10,132,733</u>
PERCENT OF COLLECTION TO EXTENSION	<u>99.52%</u>	<u>99.69%</u>	<u>99.59%</u>	<u>99.69%</u>

2011	2012	2013	2014	2015	2016
\$ 1,248,853,201	\$ 1,102,670,039	\$ 1,026,821,869	\$ 1,017,613,993	\$ 1,046,346,716	\$ 1,126,482,955
0.3645	0.4000	0.3626	0.3774	0.3683	0.3773
0.2666	0.3000	0.3623	0.3774	0.3683	0.3773
0.0520	0.0834	0.1365	0.1375	0.1370	0.0604
0.0082	0.0097	0.0104	0.0103	0.0103	0.0108
0.0035	0.0042	0.0046	0.0046	0.0046	0.0045
0.0014	0.0017	0.0018	0.0017	0.0019	0.0017
0.0470	0.0500	0.0464	0.0467	0.0462	0.0490
0.0763	0.0991	0.1152	0.1202	0.1198	0.1073
0.0079	0.0138	0.0185	0.0463	0.0676	0.0628
0.8274	0.9619	1.0583	1.1221	1.1240	1.0511
\$ 4,553,293	\$ 4,412,323	\$ 3,724,836	\$ 3,842,699	\$ 3,853,695	\$ 4,253,177
3,330,337	3,309,242	3,721,754	3,842,699	3,853,695	4,253,177
649,578	919,969	1,402,207	1,400,030	1,433,495	680,869
102,433	106,999	106,835	104,875	107,774	121,745
43,722	46,329	47,254	46,837	48,132	50,727
17,489	18,753	18,490	17,310	19,880	19,164
587,119	551,540	476,647	475,501	483,412	552,361
953,131	1,093,153	1,183,401	1,223,880	1,253,523	1,209,557
98,686	152,225	190,042	471,428	707,331	707,923
\$ 10,335,788	\$ 10,610,533	\$ 10,871,466	\$ 11,425,259	\$ 11,760,937	\$ 11,848,700
\$ 10,282,754	\$ 10,510,709	\$ 10,841,823	\$ 11,337,027	\$ 11,727,320	\$ -
99.49%	99.06%	99.73%	99.23%	99.71%	0.00%

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			
2008	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -
2009	-	-	-	0.00%	0.00%	-
2010	-	-	-	0.00%	0.00%	-
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%	-

* See the Schedule of Demographic and Economic Information on page 87 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, 2017

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	34,840,000	100.00%	34,840,000
DuPage County	156,575,000	2.92%	4,571,990
Addison Park District	15,369,722	96.33%	14,805,653
Bensenville Park District	6,569,965	1.12%	73,584
Bloomington Park District	4,982,875	1.46%	72,750
Elmhurst Park District	3,940,000	0.28%	11,032
Bloomington Fire District	495,000	0.30%	1,485
School District No. 2	31,275,000	1.22%	381,555
School District No. 4	10,955,000	81.76%	8,956,808
School District No. 13	2,880,000	2.47%	71,136
School District No. 15	39,406,300	26.54%	10,458,432
School District No. 205	92,161,465	0.27%	248,836
High School District No. 87	71,690,000	2.67%	1,914,123
High School District No. 88	97,780,000	33.51%	32,766,078
High School District No. 100	11,030,000	0.67%	73,901
High School District No. 108	31,500,000	0.67%	211,050
Total overlapping debt	611,450,327		109,458,413
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 611,450,327		\$ 109,458,413

(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 Comprehensive Annual Financial Report

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

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Legal debt margin	\$ 81,260,939	\$ 86,430,091	\$ 85,766,056	\$ 78,452,564	\$ 71,809,059	\$ 63,403,527	\$ 59,042,257	\$ 58,512,805	\$ 60,164,936	\$ 64,772,770
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
LEGAL DEBT MARGIN	\$ 81,260,939	\$ 86,430,091	\$ 85,766,056	\$ 78,452,564	\$ 71,809,059	\$ 63,403,527	\$ 59,042,257	\$ 58,512,805	\$ 60,164,936	\$ 64,772,770
TOTAL DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal debt margin calculation for fiscal 2015

Assessed value \$1,126,482,955

Legal debt margin 5.75%

Debt limit 64,772,770

Debt applicable to limit
None -

LEGAL DEBT MARGIN \$ 64,772,770

**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
2008	36,946	\$ 23,179	\$ 856,371,334	6.20%
2009	36,946	21,065	778,267,490	11.40%
2010	36,946	22,301	823,932,746	11.30%
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%

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	2017		Employer	Rank	2008	
		Number of Employees	% of Total District Population			Number of Employees	% of Total District Population
Goodwill Retail Services	1	3,000	8.12%	United Parcel Service	1	2,914	7.89%
United Parcel	2	2,914	7.89%	Pampered Chef	2	788	2.13%
Spectra Metal	3	971	2.63%	Minuteman International	3	500	1.35%
Pampered Chef	4	788	2.13%	Unisource	4	250	0.68%
Dynamac Inc	5	582	1.58%	General Binding Corp	5	250	0.68%
Beltman Group Inc	6	450	1.22%	Jewel Food Stores	6	250	0.68%
Devry University	7	400	1.08%	Family Home Health Serv	7	250	0.68%
Associated Material Handlin	8	350	0.95%	Kraft Foods	8	240	0.65%
Tailored Brands	9	258	0.70%	Walmart Store	9	220	0.60%
Jewel Food Stores	10	250	0.68%	ADT Security Services	10	205	0.55%
TOTAL		<u>9,963</u>				<u>5,867</u>	

Data Source

Village of Addison Comprehensive Annual Financial Report

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

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Chiefs	5	5	5	5	5	5	6	6	6	6
Firefighters/paramedics	60	55	54	53	53	52	50	51	45	45
Administrative staff	3	3	3	3	4	5	3	3	2	2
Fire prevention bureau	2	3	2	3	4	5	3	3	3	4
Mechanic	-	-	-	-	-	-	-	-	-	-
Contract personnel	6	6	6	6	6	7	7	7	7	7
TOTAL	76	72	70	70	72	74	69	70	63	64

Data Source

District internal records

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

OPERATING INDICATORS

Last Ten Calendar Years

Calendar Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CALLS										
Structure fires	43	29	19	26	15	13	12	30	17	N/A
Other fires	109	71	72	85	80	68	64	75	58	N/A
Pressure rupture	4	-	2	1	-	-	-	4	2	N/A
Rescue and EMS calls	3,037	2,910	2,945	2,919	2,962	2,841	2,971	3,453	3,492	N/A
Hazardous condition	236	151	187	208	204	130	139	161	147	N/A
Service calls	208	147	129	160	197	162	197	209	125	N/A
False calls	584	423	471	485	526	447	574	429	388	N/A
Miscellaneous	25	7	24	5	11	4	2	2	4	N/A
Unclassified	161	179	167	166	188	179	209	183	302	N/A
TOTAL	4,407	3,917	4,016	4,055	4,183	3,844	4,168	4,546	4,535	

N/A - The District tracks calls based on the calendar year so 2017 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
SUPPORT SERVICES										
Fire stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	4	4	4	5	5	5
Engines	5	5	5	5	4	4	3	3	2	2
Towers	2	2	2	1	1	1	-	-	-	-
Quints	-	-	-	-	1	1	3	3	3	3
Squads	1	1	1	-	-	-	-	-	-	-
Administrative vehicles	7	7	7	7	8	9	9	10	10	11
Total vehicles	22	22	22	20	21	22	22	24	23	24

Data Source

District internal records