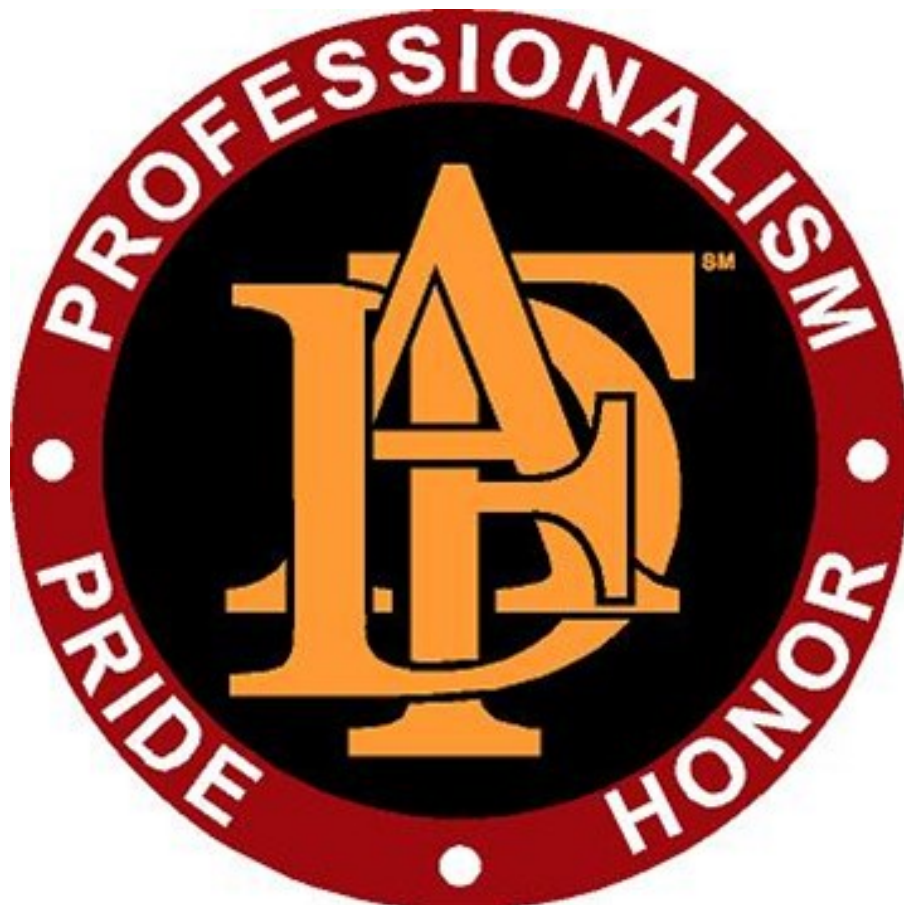


ADDISON FIRE PROTECTION DISTRICT #1

ADDISON, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED MAY 31, 2016



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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
May 31, 2016

Prepared by Administrative Staff

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ADDISON, ILLINOIS
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ADDISON, ILLINOIS

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ADDISON FIRE PROTECTION DISTRICT #1

ADDISON, ILLINOIS

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ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

MAY 31, 2016

BOARD OF TRUSTEES

Michael J. Super – President

Charles Baxa, Jr. – Secretary

Bernadette LaRocca – Treasurer

BOARD OF COMMISSIONERS

John Humes – Chairperson

Joseph Saverino – Secretary

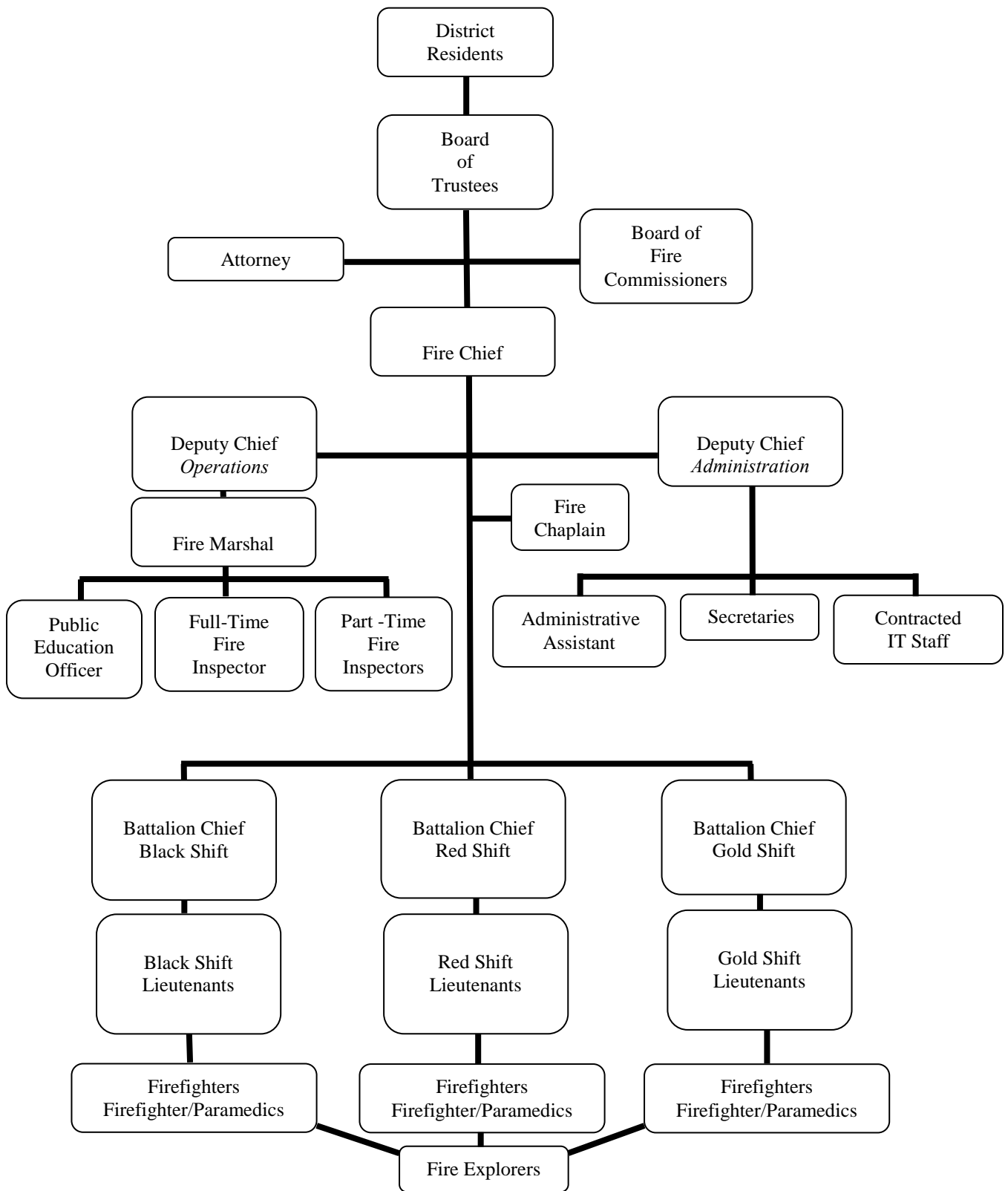
Dr. Daniel LeHoux – Commissioner

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, 2015

Executive Director/CEO

ADDISON FIRE PROTECTION DISTRICT #1

10 S. Addison Road, Addison, IL 60101-3870

Phone: (630) 628-3100

Fax: (630) 543-9742

Web Site: www.addisonfire.org

ADMINISTRATION

Joseph J. Leone - Fire Chief
Scott W. Walker - Deputy Chief
Erik E. Kramer - Deputy Chief
Michael E. Toika - Fire Marshall



BOARD OF TRUSTEES

Michael J. Super - President
Charles Baxa, Jr. - Secretary
Bernadette LaRocca - Treasurer

October 14th, 2016

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

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, 2016.

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, 2016, 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 begun to generate some building interest. 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 a slight increase during the latest assessment. 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 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 District recently updated its smaller vehicle fleet with the purchase and delivery of two new vans, with three other new vehicles on order. A 23 month complete renovation of fire station number two was completed in 201. This renovation included all existing interior and exterior spaces within the fire station and included an addition which houses a new training center. All of these projects were accomplished by utilizing funds saved in the Capital Improvement Fund and no debt financing was required. The Capital Improvement Fund is funded and/or has funding scheduled sufficiently to provide for future needs.

The District has financial policies in place to promote fiscal stability. District policy dictates the spending controls and process for purchases approved by the Board of Trustees and all employees. The District procurement policy shall always be consistent with all state statutes pertaining to competitive bidding. The investment policy emphasizes safety of principle and maintenance of purchasing power as the foremost objectives, and this concept is reinforced with the requirement that District assets be collateralized for amounts over the FDIC limit.

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 was renegotiated in June of 2015. These negotiations left wages for FY 16-17 & FY 17-18 open to further negotiations. These negotiations were completed and wages for FY16-17 & FY 17-18 are now agreed to and budgeted for. The District desires future 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.

As we enter the FY2017 and FY2018 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, 2016 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.
- *Enter into a long term leasing agreement with a cellular company which leases space at two of our three fire stations which will provide additional annual revenues.
- *Finished a complete remodel of fire station two which included a new addition which houses a new training center. The training center will not only be utilized for the training of AFPD members, it will also be used to conduct training classes for other agencies which will generate another source of revenue for the District.
- * Continued to expand CPR and first aid class teaching opportunities and these programs are now generating a positive cash flow for the District.
- *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 17-18.
- *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 15-16, Addison received a \$240,000 federal grant to purchase a driving simulator that is now shared among 12 different fire service agencies. Since 2006, we have obtained just under 2 million dollars of grant money from FEMA's Department of Homeland Security.
- *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.
- *Improve response times by changing our dispatch center to the dispatch center that serves as the District's public-safety answering point (PSAP). This change would eliminate the need to transfer 911 calls prior to dispatching them.
- *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 3 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

630.566.8400 // www.sikich.com

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, 2016, 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, 2016 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As disclosed in Note 10, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

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 14, 2016

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2016

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, 2016. 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 \$11,245,808. In the prior year assets and deferred inflows of resources exceeded liabilities and deferred outflows of resources by \$13,822,399. The reason for this major change is the implementation of GASB 68 which requires the net pension liability of the District Fire and IMRF Pension plans to be reported for the first time as liabilities of the District on the government wide financial statements
- The District's total net position decreased by \$25,068,207 primarily due to the GASB 68 implementation. 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 \$8,208,162 a decrease of \$1,033,625 in comparison with the prior year. Of this amount, \$362,811 (4.4%) is available for spending at the government's discretion (unassigned fund balance). During FY16 the District completed a remodel of its primary headquarters fire station causing the decrease on combined fund balance.
- At the current fiscal year end, unassigned fund balance for the General Fund was \$372,230 or 3.7% of total General Fund expenditures. The General fund transferred \$1,800,000 to the Capital Improvement Fund, and \$100,000 to the Liability Insurance Fund.
- 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 \$3,997,765 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, 2016

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, 2016

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>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| Assets and Deferred Outflows | | |
| Other Assets: | | |
| Cash and investments | \$ 8,176 | \$ 8,723 |
| Prepaid items and other | 97 | 1,166 |
| Receivables (net of allowance for uncollectibles): | | |
| Interest | 34 | 25 |
| Property taxes | 11,643 | 11,311 |
| Miscellaneous | 12 | 29 |
| Capital assets (net of accumulated depreciation) | 10,699 | 8,825 |
| Deferred outflows of resources | 5,152 | - |
| Total assets and deferred outflows | 35,813 | 30,079 |
| Liabilities and Deferred Inflows | | |
| Other Liabilities: | | |
| Accounts payable | 36 | 36 |
| Accrued salaries | 74 | 50 |
| Other liabilities due in one year | 202 | - |
| Deferred inflows of resources | 11,643 | 11,311 |
| Long term obligations (Pension) | 35,104 | 4,860 |
| Total liabilities and deferred inflows | 47,059 | 16,257 |
| Net Position | | |
| Net investment in capital assets | 10,699 | 8,825 |
| Restricted | 151 | 144 |
| Unrestricted | (22,096) | 4,853 |
| Total net position | (11,246) | \$ 13,822 |

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2016

Condensed Statement of Governmental Activities For the Year Ended May 31, 2016 (000's omitted)

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|-----------------|-----------------|
| Revenues: | | |
| Foreign fire insurance | \$ 74 | \$ 70 |
| Real estate taxes | 11,337 | 10,996 |
| Replacement Tax | 274 | 297 |
| Interest | 166 | 123 |
| Charges for Service & Grants | 1,472 | 1,511 |
| Miscellaneous | 55 | 422 |
| Total revenues | <u>13,378</u> | <u>13,419</u> |
| Expenses: | | |
| Operational Expenses | 14,091 | 12,356 |
| Interest | - | - |
| Total expenses | <u>14,091</u> | <u>12,356</u> |
| Change in net position | (713) | 1,063 |
| Net position, beginning of year | 13,822 | 12,759 |
| Change in accounting principle | (24,355) | |
| Net position, end of year | <u>(11,246)</u> | <u>\$13,822</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 \$11,245,808 at the most recent fiscal year close. As stated earlier, in FY2016 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 \$10,699,464 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 \$(11,245,808). The District's total assets and deferred outflows of resources equal \$35,813,664. The District's total liabilities and deferred inflows of resources equals \$47,059,472 with \$30,353,882 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, 2016

Governmental activities. The District's net position decreased during the current fiscal year by \$25,068,207 due to the implementation of GASB 68. Overall, the District realized a .31% decrease in revenues coupled with a 14.0% increase in operating expenses.

- Property tax revenues increased from \$10.996 million in FY 15 to \$11.337 million in FY 16.
- Interest income increased slightly due to wiser investment of funds.
- Charges for services and grants decreased from \$1.511 million in FY 15 to \$1.472 million in FY 16 due to grant revenue going down from \$284,447 in FY 15 to \$82,064 in FY 16.
- Expenses increased from \$12.356 million in FY 2015 to \$14.091 million in FY 2016. The primary reason for this increase was the implementation of GASB Statement No. 68 as the change in the pension expense for the year increased expenses by over \$1.46 million.

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 \$8,208,162 a decrease of \$1,033,625 in comparison with the previous year. 4.4% (\$362,811) of this total amount constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is non-spendable, restricted or assigned to indicate that is not available for new spending because it has already been committed to secure other expenditures 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 \$372,230. 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 3.7% of total General Fund expenditures. Total fund balances of the General Fund represents 39.6% of total General Fund expenditures.

Fund Balances

At the end of this fiscal, FY16, the General Fund which includes both the General Fund and Ambulance Fund, fund balance remained relatively flat from \$3.976 million in FY 15 to \$3.980 million. The Tort Liability fund balance decreased from \$104,647 in FY15 to \$87,468. This 16.2% drop in Fund Balance was due to increased insurance premiums. The District's Capital Fund dropped from \$5.017 million in FY 15 to \$3.989 million in FY16. The reason for this major drop was the District used its capital reserve funds to upgrade and remodeling headquarters fire station and complete improvements at the District's other 2 fire stations for a total combined cost of \$2.828 million. This capital expense was partially offset by a transfer from the operating funds to the capital fund of \$1.800 million. The District

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2016

non-major funds had small variances from FY15 to FY16 with no major unexpected occurrences during the fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the District did not revise the annual operating budget. Actual revenues exceeded budgeted expectations by 29.2%. The actual expenditures were 29.5% over budget. The primary reasons for the large increase in revenue was two items: Leasing of the training tower decreased from \$334,116 in FY 15 to \$137,100 in FY16 and grants received decreased from \$284,447 in FY 15 to \$74,100 in FY 16. The primary reason for the increase in expenditures was a contribution to the Pension Fund of \$1,721,893.

Capital Assets and Debt Administration

Capital assets. At the end of fiscal year 2016, the District had total capital assets (net of accumulated depreciation) of \$10.699 million, invested in a broad range of capital assets including ambulance and fire equipment, buildings, land and equipment. The District completed its remodeling of Station #1 during the year. The District also complete some information technology improvements and purchased emergency vehicles. The District maintains a detailed list of capital assets. Total depreciation expense for the year was \$809,306. 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

- Increased revenue stream continues at a slow pace. The state imposed tax cap continues to restrict the revenues needed to fully fund the district operations and more specifically the Pension fund. Additionally, the equalized assessed valuation of the District continues to steadily decline as property values in the District decline. In spite of restricted revenues, the operational budget remains balanced and did not exceed the revenues received operationally for the fiscal year. The one time remodeling of the headquarters fire station caused the total budgeted expenses to exceed revenues. That is anticipated to only a one year capital expense. 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, 2016

| | Governmental Activities |
|--|------------------------------------|
| <hr/> | |
| ASSETS | |
| Cash and investments | \$ 8,175,940 |
| Receivables (net of allowance for uncollectibles) | |
| Property taxes | 11,643,328 |
| Interest | 33,851 |
| Other | 11,669 |
| Prepaid items | 96,887 |
| Capital assets not being depreciated | 750,000 |
| Capital assets (net of accumulated depreciation) | <u>9,949,464</u> |
| Total assets | <u>30,661,139</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension items - Firefighters' Pension Fund | 5,012,344 |
| Pension items - IMRF | <u>140,181</u> |
| Total deferred outflows of resources | <u>5,152,525</u> |
| Total assets and deferred outflows of resources | <u>35,813,664</u> |
| LIABILITIES | |
| Accounts payable | 35,741 |
| Accrued payroll | 74,444 |
| Long-term liabilities | |
| Due within one year | 201,977 |
| Due in more than one year | <u>35,103,982</u> |
| Total liabilities | <u>35,416,144</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred revenue - property taxes | <u>11,643,328</u> |
| Total deferred inflows of resources | <u>11,643,328</u> |
| Total liabilities and deferred inflows of resources | <u>47,059,472</u> |
| NET POSITION | |
| Net investment in capital assets | 10,699,464 |
| Restricted for | |
| Audit | 8,341 |
| Social Security | 15,005 |
| IMRF | 46,234 |
| Public safety | 81,131 |
| Unrestricted (deficit) | <u>(22,095,983)</u> |
| TOTAL NET POSITION | <u><u>\$ (11,245,808)</u></u> |

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2016

| 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 | \$ 14,090,929 | \$ 1,389,564 | \$ 82,064 | \$ - | \$ (12,619,301) |
| Interest | - | - | - | - | - |
| Total governmental activities | 14,090,929 | 1,389,564 | 82,064 | - | (12,619,301) |
| TOTAL PRIMARY GOVERNMENT | \$ 14,090,929 | \$ 1,389,564 | \$ 82,064 | \$ - | (12,619,301) |
| General Revenues | | | | | |
| Taxes | | | | | |
| Property | | | | | |
| Replacement | | | | | |
| Foreign fire insurance | | | | | |
| Investment income | | | | | |
| Miscellaneous | | | | | |
| Total | | | | | |
| CHANGE IN NET POSITION | | | | | |
| NET POSITION, JUNE 1 | | | | | |
| Change in accounting principle | | | | | |
| NET POSITION, JUNE 1, RESTATED | | | | | |
| NET POSITION, MAY 31 | | | | | |

See accompanying notes to financial statements.

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

May 31, 2016

| | General | Tort Liability Insurance | Capital Improvement | Nonmajor Governmental | Total Governmental Funds |
|---|----------------------|-------------------------------------|--------------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and investments | \$ 4,026,464 | \$ - | \$ 3,997,765 | \$ 151,711 | \$ 8,175,940 |
| Receivables | | | | | |
| Property taxes | 10,049,103 | 1,419,160 | - | 175,065 | 11,643,328 |
| Interest | 33,851 | - | - | - | 33,851 |
| Other | 11,669 | - | - | - | 11,669 |
| Due from other funds | 249 | - | - | - | 249 |
| Prepaid items | - | 96,887 | - | - | 96,887 |
| TOTAL ASSETS | \$ 14,121,336 | \$ 1,516,047 | \$ 3,997,765 | \$ 326,776 | \$ 19,961,924 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 26,360 | \$ - | \$ 8,381 | \$ 1,000 | \$ 35,741 |
| Accrued payroll | 65,274 | 9,170 | - | - | 74,444 |
| Accrued payroll | - | 249 | - | - | 249 |
| Total liabilities | 91,634 | 9,419 | 8,381 | 1,000 | 110,434 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - property taxes | 10,049,103 | 1,419,160 | - | 175,065 | 11,643,328 |
| Total deferred inflows of resources | 10,049,103 | 1,419,160 | - | 175,065 | 11,643,328 |
| Total liabilities and deferred inflows of resources | 10,140,737 | 1,428,579 | 8,381 | 176,065 | 11,753,762 |
| FUND BALANCES | | | | | |
| Nonspendable | - | 96,887 | - | - | 96,887 |
| Restricted | | | | | |
| Audit | - | - | - | 8,341 | 8,341 |
| Social Security | - | - | - | 15,005 | 15,005 |
| IMRF | - | - | - | 46,234 | 46,234 |
| Public safety | - | - | - | 81,131 | 81,131 |
| Assigned | | | | | |
| Capital improvements | - | - | 3,989,384 | - | 3,989,384 |
| Cash reserves | 3,608,369 | - | - | - | 3,608,369 |
| Unassigned (deficit) | 372,230 | (9,419) | - | - | 362,811 |
| Total fund balances | 3,980,599 | 87,468 | 3,989,384 | 150,711 | 8,208,162 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 14,121,336 | \$ 1,516,047 | \$ 3,997,765 | \$ 326,776 | \$ 19,961,924 |

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**

For the Year Ended May 31, 2016

| | |
|--|-------------------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 8,208,162 |
| 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 | 10,699,464 |
| Net pension liability for the Firefighters' Pension Fund is shown as a liability on the statement of net position | (29,933,254) |
| Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position | (420,628) |
| 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 | 140,181 |
| 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 | 5,012,344 |
| 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 | (1,346,515) |
| Other postemployment benefit obligation | <u>(3,605,562)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ (11,245,808)</u></u> |

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2016

| | General | Tort Liability Insurance | Capital Improvement | Nonmajor Governmental | Total Governmental Funds |
|--|---------------------|-------------------------------------|--------------------------------|----------------------------------|---|
| REVENUES | | | | | |
| Property taxes | \$ 9,780,086 | \$ 1,389,319 | \$ - | \$ 167,717 | \$ 11,337,122 |
| Personal property replacement taxes | 273,890 | - | - | - | 273,890 |
| Foreign fire insurance tax | - | - | - | 73,585 | 73,585 |
| Charges for services | 1,389,564 | - | - | - | 1,389,564 |
| Intergovernmental | 82,064 | - | - | - | 82,064 |
| Investment income | 166,184 | - | - | - | 166,184 |
| Miscellaneous | 55,328 | - | - | - | 55,328 |
| Total revenues | 11,747,116 | 1,389,319 | - | 241,302 | 13,377,737 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Public safety | 10,065,683 | 1,306,498 | - | 234,614 | 11,606,795 |
| Capital outlay | - | - | 2,827,562 | - | 2,827,562 |
| Total expenditures | 10,065,683 | 1,306,498 | 2,827,562 | 234,614 | 14,434,357 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,681,433 | 82,821 | (2,827,562) | 6,688 | (1,056,620) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 100,000 | - | 1,800,000 | - | 1,900,000 |
| Transfers (out) | (1,800,000) | (100,000) | - | - | (1,900,000) |
| Proceeds from the sale of capital assets | 22,995 | - | - | - | 22,995 |
| Total other financing sources (uses) | (1,677,005) | (100,000) | 1,800,000 | - | 22,995 |
| NET CHANGE IN FUND BALANCES | 4,428 | (17,179) | (1,027,562) | 6,688 | (1,033,625) |
| FUND BALANCES, JUNE 1 | 3,976,171 | 104,647 | 5,016,946 | 144,023 | 9,241,787 |
| FUND BALANCES, MAY 31 | \$ 3,980,599 | \$ 87,468 | \$ 3,989,384 | \$ 150,711 | \$ 8,208,162 |

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, 2016

| | |
|---|-----------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ (1,033,625) |
|---|-----------------------|

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 | 2,757,343 |
|--|-----------|

| | |
|---|-----------|
| 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 | (809,306) |
|---|-----------|

| | |
|--|----------|
| Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities | (73,322) |
|--|----------|

| | |
|--|-----------|
| The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities | (240,585) |
|--|-----------|

| | |
|---|---------|
| The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities | 127,115 |
|---|---------|

| | |
|--|-------------|
| The change in the net pension liability for the Firefighters' Pension Fund is reported only in the statement of activities | (6,360,673) |
|--|-------------|

| | |
|---|-----------|
| The change in deferred inflows and outflows of resources for the Firefighters' Pension Fund is reported only in the statement of activities | 5,012,344 |
|---|-----------|

| | |
|--|----------|
| The change in compensated absences payable is shown as an expense on the statement of activities | (31,820) |
|--|----------|

| | |
|---|-----------------|
| The change in postemployment benefits payable is not a current financial obligation and, therefore, is not reported in the governmental funds | <u>(60,663)</u> |
|---|-----------------|

| | |
|--|-----------------------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ (713,192)</u></u> |
|--|-----------------------------------|

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

May 31, 2016

ASSETS

| | |
|------------------------------------|-------------------|
| Investments | |
| Cash and money market mutual funds | \$ 468,046 |
| Negotiable CDs | 503,318 |
| Municipal bonds | 3,376,476 |
| U.S. Treasury securities | 1,439,762 |
| U.S. agency securities | 9,138,101 |
| Corporate bonds | 4,556,142 |
| Mutual funds | 22,365,157 |
| Receivables | |
| Accrued interest | 210,051 |
| Due from the District | 289,714 |
| Prepaid items | <u>1,690</u> |
| Total assets | <u>42,348,457</u> |

LIABILITIES

| | |
|-------------------|---------------|
| Accounts payable | <u>10,375</u> |
| Total liabilities | <u>10,375</u> |

NET POSITION RESTRICTED
FOR PENSIONS

\$ 42,338,082

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended May 31, 2016

ADDITIONS

Contributions

| | |
|------------------------|----------------|
| Employer contributions | \$ 1,971,893 |
| Employee contributions | <u>452,947</u> |

| | |
|---------------------|------------------|
| Total contributions | <u>2,424,840</u> |
|---------------------|------------------|

Investment income

| | |
|--|------------------|
| Net depreciation in fair value of investments | (1,668,471) |
| Interest | <u>1,802,251</u> |

| | |
|-------------------------|---------|
| Total investment income | 133,780 |
|-------------------------|---------|

| | |
|-------------------------|-----------------|
| Less investment expense | <u>(45,796)</u> |
|-------------------------|-----------------|

| | |
|-----------------------|---------------|
| Net investment income | <u>87,984</u> |
|-----------------------|---------------|

| | |
|-----------------|------------------|
| Total additions | <u>2,512,824</u> |
|-----------------|------------------|

DEDUCTIONS

| | |
|-------------------------|---------------|
| Pension benefits | 3,480,472 |
| Administrative expenses | 71,692 |
| Refunds | <u>37,674</u> |

| | |
|------------------|------------------|
| Total deductions | <u>3,589,838</u> |
|------------------|------------------|

| | |
|--------------|-------------|
| NET DECREASE | (1,077,014) |
|--------------|-------------|

**NET POSITION RESTRICTED
FOR PENSIONS**

| | |
|--------|-------------------|
| June 1 | <u>43,415,096</u> |
|--------|-------------------|

| | |
|--------|-----------------------------|
| May 31 | <u><u>\$ 42,338,082</u></u> |
|--------|-----------------------------|

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2016

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 the U.S. 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, 2016, 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 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

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)

the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability or deferred inflow of resources for unearned/deferred/unavailable revenue is removed from the financial statements and revenue is recognized.

- 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 estimated fair market 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:

| Assets | Years |
|------------------------------|-------|
| 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations (Continued)

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.

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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Deferred Outflows/Inflows of Resources

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

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 2015 attach as an enforceable lien on January 1, 2015, 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, 2016, and are payable in two installments, on or about June 1, 2016 and September 1, 2015. The County collects such taxes and remits them periodically. Because the 2015 levy is intended to finance the fiscal year ending May 31, 2017, it has been offset by unavailable/deferred revenue at May 31, 2016. The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of May 31, 2016, as the tax has not yet been levied by the District and will not be levied until December 2016 and, therefore, the levy is not measurable at May 31, 2016.

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

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 U.S. 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.

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, 2016

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|------------------------|---------------------|----------------------------------|---------------------|---------------------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | Greater than 10 |
| U.S. agency securities | \$ 4,971,428 | \$ 305,900 | \$ 3,855,557 | \$ 809,971 | \$ - |
| Negotiable CDs | 3,165,503 | 759,941 | 1,562,886 | 842,676 | - |
| TOTAL | \$ 8,136,931 | \$ 1,065,841 | \$ 5,418,443 | \$ 1,652,647 | \$ - |

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

3. DEPOSITS AND INVESTMENTS (Continued)

a. District Investments (Continued)

Investments

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 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 negotiable certificates of deposit are not rated (but FDIC insured).

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. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. 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.

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

4. INTERFUND ACTIVITY

a. Transfers

Transfers between other funds for the year ended May 31, 2016 consist of the following:

| | Transfer In | Transfer Out |
|---|---------------------|---------------------|
| General Fund | \$ 100,000 | \$ 1,800,000 |
| Capital Improvement Fund | 1,800,000 | - |
| Tort Liability Insurance Fund (Nonmajor Governmental) | - | 100,000 |
| TOTAL | \$ 1,900,000 | \$ 1,900,000 |

The purposes of the significant transfers are as follows:

- \$1,800,000 - The General Fund transferred funds to the Capital Improvement Fund for future capital improvements. The transfer will not be repaid.
- \$100,000 - The Tort Liability Insurance Fund transferred funds to the General Fund to fund operations. The transfer will not be repaid.

b. Due To/From

The Tort Liability Insurance Fund has an amount due to the General Fund of \$249 for negative cash. The amount will be repaid within a year.

The District contributed \$289,714 to the Firefighters' Pension Fund in May 2016. The funds were not received by the Firefighters' Pension Fund until June 2016 and are reported as due from the District.

5. CAPITAL ASSETS

Capital asset activity for the District for the year ended May 31, 2016 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 | 10,538,284 | 2,105,158 | - | 12,643,442 |
| Vehicles and equipment | 5,261,736 | 652,185 | 488,213 | 5,425,708 |
| Total capital assets being depreciated | 15,800,020 | 2,757,343 | 488,213 | 18,069,150 |

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

5. CAPITAL ASSETS (Continued)

| | Balances June 1 | Increases | Decreases | Balances May 31 |
|--|--------------------|--------------|-----------|--------------------|
| GOVERNMENTAL ACTIVITIES (Continued) | | | | |
| Less accumulated depreciation for | | | | |
| Buildings | \$ 5,797,135 | \$ 462,721 | \$ - | \$ 6,259,856 |
| Vehicles and equipment | 1,928,136 | 346,585 | 414,891 | 1,859,830 |
| Total accumulated depreciation | 7,725,271 | 809,306 | 414,891 | 8,119,686 |
| Total capital assets being depreciated, net | 8,074,749 | 1,948,037 | 73,322 | 9,949,464 |
| GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET | \$ 8,824,749 | \$ 1,948,037 | \$ 73,322 | \$ 10,699,464 |

Depreciation expense of \$809,306 was charged to the public safety function.

6. LONG-TERM DEBT

a. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended May 31, 2016:

| | Restated, Balances June 1 | Additions | Reductions | Balances May 31 | Current Portion | Long-Term Portion |
|---|---------------------------------|-------------|------------|--------------------|--------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | |
| Compensated absences payable | \$ 1,314,695 | \$ 229,025 | \$ 197,205 | \$ 1,346,515 | \$ 201,977 | \$ 1,144,538 |
| Net other postemployment benefit obligation | 3,544,899 | 60,663 | - | 3,605,562 | - | 3,605,562 |
| Net pension liability - Firefighters' Pension Fund | 23,572,581 | 6,360,673 | - | 29,933,254 | - | 29,933,254 |
| Net pension liability - IMRF | 180,043 | 240,585 | - | 420,628 | - | 420,628 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$28,612,218 | \$6,890,946 | \$ 197,205 | \$35,305,959 | \$ 201,977 | \$35,103,982 |

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

7. RISK MANAGEMENT

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

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

Members' cost is proportional, based on contributions developed by payroll audits. Rates and any discounts approved by the Board of Trustees are used to determine standard premiums for each member. Each member's experience modifications are used. Members also participate in policyholder dividends based on the Fund's and individual member's experience. Members can also be assessed if the assets of the Fund are less than the reserves required to be maintained. The District is not aware of any additional amounts due to the Fund at May 31, 2016.

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, 2015 (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 | 5 |
| | <hr/> |
| TOTAL | 10 |
| | <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 4.5% 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 4.5% 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, 2015 and 2016 was 11.46% and 12.02%, respectfully, of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2015 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, 2015 |
| 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 |

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

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

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 2014). 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 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 not projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.26% used to determine the total pension liability.

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, 2015 | \$ 1,430,975 | \$ 1,250,932 | \$ 180,043 |
| Changes for the period | | | |
| Service cost | 38,857 | - | 38,857 |
| Interest | 106,496 | - | 106,496 |
| Difference between expected and actual experience | 55,563 | - | 55,563 |
| Changes in assumptions | 28,186 | - | 28,186 |
| Employer contributions | - | 34,506 | (34,506) |
| Employee contributions | - | 13,550 | (13,550) |
| Net investment income | - | 6,299 | (6,299) |
| Benefit payments and refunds | (30,298) | (30,298) | - |
| Administrative expense | - | - | - |
| Other (net transfer) | - | (65,838) | 65,838 |
| Net changes | 198,804 | (41,781) | 240,585 |
| BALANCES AT DECEMBER 31, 2015 | \$ 1,629,779 | \$ 1,209,151 | \$ 420,628 |

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

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

For the year ended December 31, 2015, the District recognized pension expense of \$150,767.

At December 31, 2015, 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 | \$ 37,516 | \$ - |
| Changes in assumption | 19,031 | - |
| Net difference between projected and actual earnings on pension plan investments | 68,574 | - |
| Contributions made subsequent to the measurement date | 15,060 | - |
| | <hr/> | <hr/> |
| TOTAL | \$ 140,181 | \$ - |

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

Year Ending
May 31,

| | |
|------------|------------|
| 2017 | \$ 59,406 |
| 2018 | 44,346 |
| 2019 | 19,287 |
| 2020 | 17,142 |
| 2021 | - |
| Thereafter | - |
| | <hr/> |
| TOTAL | \$ 140,181 |

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 7.26% 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 (6.26%) or 1 percentage point higher (8.26%) than the current rate:

| | 1% Decrease (6.26%) | Current Discount Rate (7.26%) | 1% Increase (8.26%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability | \$ 618,816 | \$ 420,628 | \$ 255,969 |

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, 2016, membership consisted of:

| | |
|--|------------|
| Inactive plan members currently receiving benefits | 54 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 49 |
| TOTAL | 103 |

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

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% 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.

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

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the District has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. However, the District is funding based on 100% amortization. For the year ended May 31, 2016, the District's contribution was 24.4% 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, 2016 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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.19%. 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, 2016:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|--------------------------|----------------------|----------------------------------|---------------------|----------------------|---------------------|
| | | Less Than 1 | 1-5 | 6-10 | Greater Than 10 |
| U.S. Treasury securities | \$ 1,439,762 | \$ - | \$ 231,450 | \$ 1,208,312 | \$ - |
| U.S. agency securities | 9,138,101 | 577,695 | 1,057,551 | 5,791,077 | 1,711,778 |
| Municipal bonds | 3,376,476 | - | 965,337 | 1,411,617 | 999,522 |
| Corporate bonds | 4,556,142 | 334,977 | 2,225,037 | 1,996,128 | - |
| TOTAL | \$ 18,510,481 | \$ 912,672 | \$ 4,479,375 | \$ 10,407,134 | \$ 2,711,300 |

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the 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.

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)

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 securities, municipal bonds and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies. The U.S. agency securities are rated AA+. The municipal bonds are rated AA- to AA+. The corporate bonds are rated BBB+ to AA+. 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.

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| BALANCES AT JUNE 1, 2015 | \$ 66,987,677 | \$ 43,415,096 | \$ 23,572,581 |
| Changes for the period | | | |
| Service cost | 1,079,139 | - | 1,079,139 |
| Interest | 4,566,004 | - | 4,566,004 |
| Difference between expected and actual experience | 19,232 | - | 19,232 |
| Changes in assumptions | 3,137,430 | - | 3,137,430 |
| Employer contributions | - | 1,971,893 | (1,971,893) |
| Employee contributions | - | 452,947 | (452,947) |
| Other contributions | - | - | - |
| Net investment income | - | 87,984 | (87,984) |
| Benefit payments and refunds | (3,518,146) | (3,518,146) | - |
| Administrative expense | - | (71,692) | 71,692 |
| Net changes | 5,283,659 | (1,077,014) | 6,360,673 |
| BALANCES AT MAY 31, 2016 | \$ 72,271,336 | \$ 42,338,082 | \$ 29,933,254 |

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 (Continued)

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.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 31, 2016 using the following actuarial methods and assumptions.

| | |
|----------------------------|----------------------------------|
| Actuarial valuation date | May 31, 2016 |
| Actuarial cost method | Entry-age Normal |
| Assumptions | |
| Inflation | 3.00% |
| Salary increases | 4.00% |
| 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.

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

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.

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 | \$ 40,162,405 | \$ 29,933,254 | \$ 21,525,838 |

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

For the year ended May 31, 2016, the District recognized pension expense of \$3,320,222.

At May 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 16,352 | \$ - |
| Changes in assumption | 2,667,754 | - |
| Net difference between projected and actual earnings on pension plan investments | 2,328,238 | - |
| TOTAL | <u>\$ 5,012,344</u> | <u>\$ -</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.

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>Year Ending May 31,</u> | |
|--------------------------------|---------------------|
| 2017 | \$ 1,054,616 |
| 2018 | 1,054,616 |
| 2019 | 1,054,616 |
| 2020 | 1,054,614 |
| 2021 | 472,556 |
| Thereafter | <u>321,326</u> |
| TOTAL | <u>\$ 5,012,344</u> |

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

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.

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><u>80</u></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.

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

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 |
|---------------------------------|------------------------|---------------------------|---|------------------------|
| 2014 | \$ 1,075,828 | \$ 570,226 | 53.0% | \$ 3,049,646 |
| 2015 | 1,080,317 | 585,064 | 54.2% | 3,544,899 |
| 2016 | 693,515 | 632,852 | 91.3% | 3,065,562 |

The net OPEB obligation as May 31, 2016 was calculated as follows:

| | |
|--|----------------------------|
| Annual required contribution | \$ 669,882 |
| Interest on net OPEB obligation | 141,796 |
| Adjustment to annual required contribution | <u>(118,163)</u> |
| Annual OPEB cost | 693,515 |
| Contributions made | <u>632,852</u> |
| Increase in net OPEB obligation | 60,663 |
| Net OPEB obligation, beginning of year | <u>3,544,899</u> |
| NET OPEB OBLIGATION, END OF YEAR | <u><u>\$ 3,605,562</u></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% |

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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.

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% investment rate of return and an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5%. Both rates include a 5% 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.

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

10. CHANGE IN ACCOUNTING PRINCIPLE

The District recorded the following change in accounting principle during the year ended May 31, 2016:

| | Increase (Decrease) |
|---|-----------------------------------|
| CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES | |
| Change in accounting principle | |
| To record the IMRF net pension liability | \$ (180,043) |
| To record the IMRF deferred outflows of resources | 13,066 |
| To write-off the Firefighters' Pension Plan net pension asset | (615,457) |
| To record the Firefighters' Pension Plan net pension liability | <u>(23,572,581)</u> |
| TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES | <u><u>\$ (24,355,015)</u></u> |

With the implementation of GASB Statement No. 68 and No. 71, the District is required to retroactively record the net pension liability, deferred outflow of resources related to contributions after the measurement date and write-off the net pension asset.

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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|------------------------------|---------------------|--------------------------|
| REVENUES | | | |
| Property taxes | \$ 8,160,899 | \$ 9,780,086 | \$ 1,619,187 |
| Personal property replacement taxes | 225,000 | 273,890 | 48,890 |
| Charges for services | 1,077,000 | 1,389,564 | 312,564 |
| Intergovernmental | 104,546 | 82,064 | (22,482) |
| Investment income | 77,000 | 166,184 | 89,184 |
| Miscellaneous | 515,000 | 55,328 | (459,672) |
| | | | |
| Total revenues | 10,159,445 | 11,747,116 | 1,587,671 |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Administrative | 256,400 | 193,912 | (62,488) |
| Wages | 5,360,200 | 4,692,670 | (667,530) |
| Pension contributions | 250,000 | 1,971,893 | 1,721,893 |
| Operational - miscellaneous | 1,100,457 | 818,107 | (282,350) |
| Paramedic services | 475,501 | 573,076 | 97,575 |
| Buildings and grounds | 158,000 | 140,583 | (17,417) |
| Insurance | 2,312,000 | 1,675,442 | (636,558) |
| | | | |
| Total expenditures | 9,912,558 | 10,065,683 | 153,125 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 246,887 | 1,681,433 | 1,434,546 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 100,000 | 100,000 |
| Transfers (out) | (7,100) | (1,800,000) | (1,792,900) |
| Proceeds from the sale of capital assets | - | 22,995 | 22,995 |
| | | | |
| Total other financing sources (uses) | (7,100) | (1,677,005) | (1,669,905) |
| NET CHANGE IN FUND BALANCE | <u>\$ 239,787</u> | 4,428 | <u>\$ (235,359)</u> |
| FUND BALANCE, JUNE 1 | | <u>3,976,171</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 3,980,599</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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|--------------------------------------|------------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 1,400,030 | \$ 1,389,319 | \$ (10,711) |
| Total revenues | 1,400,030 | 1,389,319 | (10,711) |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Wages | 805,030 | 788,229 | (16,801) |
| Insurance | 595,000 | 518,269 | (76,731) |
| Total expenditures | 1,400,030 | 1,306,498 | (93,532) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | 82,821 | 82,821 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | - | (100,000) | (100,000) |
| Total other financing sources (uses) | - | (100,000) | (100,000) |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>(17,179)</u> | <u>\$ (17,179)</u> |
| FUND BALANCE, JUNE 1 | | <u>104,647</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 87,468</u> | |

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2016

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, 2016.

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 |
|-----------------|----------|
| Audit | \$ 1,651 |
| Social Security | 3,121 |

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

May 31, 2016

| | <u>2016*</u> |
|--|---------------------|
| Actuarially determined contribution | \$ 37,297 |
| Contribution in relation to the actuarially determined contribution | <u>37,297</u> |
| CONTRIBUTION DEFICIENCY (Excess) | <u><u>\$ -</u></u> |
| Covered-employee payroll | \$ 301,106 |
| Contributions as a percentage of covered-employee payroll | 12.39% |

*The information presented above represents the District's contributions for the fiscal year ended May 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013. 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 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.0% compounded annually.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

May 31, 2016

| | <u>2016*</u> |
|---|----------------------------|
| TOTAL PENSION LIABILITY | |
| Service cost | \$ 38,857 |
| Interest | 106,496 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | 55,563 |
| Changes of assumptions | 28,186 |
| Benefit payments, including refunds of member contributions | <u>(30,298)</u> |
| Net change in total pension liability | 198,804 |
| Total pension liability - beginning | <u>1,430,975</u> |
| TOTAL PENSION LIABILITY - ENDING | <u><u>\$ 1,629,779</u></u> |
| PLAN FIDUCIARY NET POSITION | |
| Contributions - employer | \$ 34,506 |
| Contributions - member | 13,550 |
| Net investment income | 6,299 |
| Benefit payments, including refunds of member contributions | (30,298) |
| Other | <u>(65,838)</u> |
| Net change in plan fiduciary net position | (41,781) |
| Plan fiduciary net position - beginning | <u>1,250,932</u> |
| PLAN FIDUCIARY NET POSITION - ENDING | <u><u>\$ 1,209,151</u></u> |
| EMPLOYER'S NET PENSION LIABILITY | <u><u>\$ 420,628</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 74.19% |
| Covered-employee payroll | \$ 301,106 |
| Employer's net pension liability as a percentage of covered-employee payroll | 139.69% |

* IMRF's measurement date is December 31, 2015; therefore information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

| | <u>2015</u> | <u>2016</u> |
|--|--------------------------|---------------------------|
| Actuarially determined contribution | \$ 1,855,680 | \$ 1,940,455 |
| Contribution in relation to the actuarially determined contribution | <u>1,681,984</u> | <u>1,971,893</u> |
| CONTRIBUTION DEFICIENCY (Excess) | <u><u>\$ 173,696</u></u> | <u><u>\$ (31,438)</u></u> |
| Covered-employee payroll | \$ 4,785,045 | \$ 4,665,296 |
| Contributions as a percentage of covered-employee payroll | 35.15% | 42.27% |

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 1.12% to 4.86% plus 2.00% for inflation compounded annually and postretirement benefit increases of 3.00% compounded

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

May 31, 2016

| | 2015 | 2016 |
|---|----------------------|----------------------|
| TOTAL PENSION LIABILITY | | |
| Service cost | \$ 1,134,726 | \$ 1,079,139 |
| Interest | 4,416,114 | 4,566,004 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | - | 19,232 |
| Changes of assumptions | - | 3,137,430 |
| Benefit payments, including refunds of member contributions | (3,301,009) | (3,518,146) |
| Net change in total pension liability | 2,249,831 | 5,283,659 |
| Total pension liability - beginning | 64,737,846 | 66,987,677 |
| TOTAL PENSION LIABILITY - ENDING | \$ 66,987,677 | \$ 72,271,336 |
| PLAN FIDUCIARY NET POSITION | | |
| Contributions - employer | \$ 1,681,984 | \$ 1,971,893 |
| Contributions - member | 435,154 | 452,947 |
| Net investment income | 2,239,373 | 87,984 |
| Benefit payments, including refunds of member contributions | (3,301,011) | (3,518,146) |
| Administrative expense | (41,969) | (71,692) |
| Net change in plan fiduciary net position | 1,013,531 | (1,077,014) |
| Plan fiduciary net position - beginning | 42,401,565 | 43,415,096 |
| PLAN FIDUCIARY NET POSITION - ENDING | \$ 43,415,096 | \$ 42,338,082 |
| EMPLOYER'S NET PENSION LIABILITY | \$ 23,572,581 | \$ 29,933,254 |
| Plan fiduciary net position as a percentage of the total pension liability | 64.81% | 59.00% |
| Covered-employee payroll | \$ 4,785,045 | \$ 8,065,439 |
| Employer's net pension liability as a percentage of covered-employee payroll | 492.63% | 371.00% |

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

May 31, 2016

| | 2015 | 2016 |
|--|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 6.54% | 0.19% |

(See independent auditor's report.)

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

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

May 31, 2016

| 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) |
|---|--|--|---|--|------------------------------------|--|
| 2011 | \$ - | N/A | 0.00% | N/A | N/A | 0.00% |
| 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% |

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, 2016

| Fiscal Year May 31, | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|------------------------------------|-----------------------------------|---|-----------------------------------|
| 2011 | \$ 300,999 | \$ 943,969 | 31.89% |
| 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% |

(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, 2016

| | <u>Corporate</u> | <u>Ambulance</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and investments | \$ 197,318 | \$ 215,297 |
| Receivables | | |
| Property taxes | 5,756,403 | 3,815,158 |
| Interest | 33,851 | - |
| Other | 11,669 | - |
| Due from other funds | 249 | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 5,999,490 | \$ 4,030,455 |
| | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | |
| LIABILITIES | | |
| Accounts payable | \$ 18,971 | \$ 7,389 |
| Accrued payroll | 37,406 | 27,868 |
| | <hr/> | <hr/> |
| Total liabilities | 56,377 | 35,257 |
| | <hr/> | <hr/> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue - property taxes | 5,756,403 | 3,815,158 |
| | <hr/> | <hr/> |
| Total deferred inflows of resources | 5,756,403 | 3,815,158 |
| | <hr/> | <hr/> |
| Total liabilities and deferred inflows of resources | 5,812,780 | 3,850,415 |
| | <hr/> | <hr/> |
| FUND BALANCES | | |
| Assigned | | |
| Cash reserves | - | - |
| Unassigned | 186,710 | 180,040 |
| | <hr/> | <hr/> |
| Total fund balances | 186,710 | 180,040 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 5,999,490 | \$ 4,030,455 |
| | <hr/> <hr/> | <hr/> <hr/> |

| Rescue | Operating Reserve | Total |
|---------------|--------------------------|---------------|
| \$ 5,480 | \$ 3,608,369 | \$ 4,026,464 |
| 477,542 | - | 10,049,103 |
| - | - | 33,851 |
| - | - | 11,669 |
| - | - | 249 |
| <hr/> | | |
| \$ 483,022 | \$ 3,608,369 | \$ 14,121,336 |

| | | |
|-------|------|-----------|
| \$ - | \$ - | \$ 26,360 |
| - | - | 65,274 |
| <hr/> | | |
| - | - | 91,634 |

| | | |
|---------|---|------------|
| 477,542 | - | 10,049,103 |
| <hr/> | | |
| 477,542 | - | 10,049,103 |
| <hr/> | | |
| 477,542 | - | 10,140,737 |

| | | |
|------------|--------------|---------------|
| - | 3,608,369 | 3,608,369 |
| 5,480 | - | 372,230 |
| <hr/> | | |
| 5,480 | 3,608,369 | 3,980,599 |
| <hr/> | | |
| \$ 483,022 | \$ 3,608,369 | \$ 14,121,336 |

(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, 2016

| | Corporate | Ambulance | Rescue |
|--|-------------------|-------------------|-----------------|
| REVENUES | | | |
| Property taxes | \$ 5,495,217 | \$ 3,813,038 | \$ 471,831 |
| Replacement taxes | 273,890 | - | - |
| Charges for services | 121,086 | 1,268,478 | - |
| Intergovernmental | 82,064 | - | - |
| Investment income | 166,184 | - | - |
| Miscellaneous | 33,874 | 21,454 | - |
| | | | |
| Total revenues | 6,172,315 | 5,102,970 | 471,831 |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Administrative | 107,040 | 86,872 | - |
| Wages | 2,733,389 | 1,959,281 | - |
| Pension contributions | 1,721,893 | 250,000 | - |
| Operational - miscellaneous | 459,400 | 358,707 | - |
| Paramedic services | - | 95,723 | 477,353 |
| Buildings and grounds | 71,788 | 68,795 | - |
| Insurance | 770,310 | 905,132 | - |
| | | | |
| Total expenditures | 5,863,820 | 3,724,510 | 477,353 |
| | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 308,495 | 1,378,460 | (5,522) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 50,000 | 50,000 | - |
| Transfers (out) | (650,000) | (1,650,000) | - |
| Proceeds from the sale of capital assets | 22,995 | - | - |
| | | | |
| Total other financing sources (uses) | (577,005) | (1,600,000) | - |
| | | | |
| NET CHANGE IN FUND BALANCES | (268,510) | (221,540) | (5,522) |
| | | | |
| FUND BALANCES, JUNE 1 | 455,220 | 401,580 | 11,002 |
| | | | |
| FUND BALANCES, MAY 31 | \$ 186,710 | \$ 180,040 | \$ 5,480 |

| Operating Reserve | Eliminations | Total | |
|------------------------------|---------------------|--------------|--|
| \$ - | \$ - | \$ 9,780,086 | |
| - | - | 273,890 | |
| - | - | 1,389,564 | |
| - | - | 82,064 | |
| - | - | 166,184 | |
| - | - | 55,328 | |
| - | - | 11,747,116 | |
| - | - | 193,912 | |
| - | - | 4,692,670 | |
| - | - | 1,971,893 | |
| - | - | 818,107 | |
| - | - | 573,076 | |
| - | - | 140,583 | |
| - | - | 1,675,442 | |
| - | - | 10,065,683 | |
| - | - | 1,681,433 | |
| 500,000 | (500,000) | 100,000 | |
| - | 500,000 | (1,800,000) | |
| - | - | 22,995 | |
| 500,000 | - | (1,677,005) | |
| 500,000 | - | 4,428 | |
| 3,108,369 | - | 3,976,171 | |
| \$ 3,608,369 | \$ - | \$ 3,980,599 | |

(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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|------------------------------|--------------|--------------------------|
| REVENUES | | | |
| Property taxes | \$ 3,842,699 | \$ 5,495,217 | \$ 1,652,518 |
| Replacement taxes | 225,000 | 273,890 | 48,890 |
| Charges for services | 77,000 | 121,086 | 44,086 |
| Intergovernmental | 104,546 | 82,064 | (22,482) |
| Investment income | 77,000 | 166,184 | 89,184 |
| Miscellaneous | 450,000 | 33,874 | (416,126) |
| Total revenues | 4,776,245 | 6,172,315 | 1,396,070 |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Administrative | 136,350 | 107,040 | (29,310) |
| Wages | 2,686,400 | 2,733,389 | 46,989 |
| Pension contributions | 25,000 | 1,721,893 | 1,696,893 |
| Operational - miscellaneous | | | |
| Photography | 1,000 | - | (1,000) |
| Communication | 15,700 | 3,297 | (12,403) |
| Dispatch services | 60,000 | 66,076 | 6,076 |
| IT contractual services | - | 80,684 | 80,684 |
| Hydrant and opticom | 16,000 | 7,726 | (8,274) |
| Fire prevention | 8,500 | 4,932 | (3,568) |
| Equipment repairs | 2,000 | 1,927 | (73) |
| Fire investigation | 650 | - | (650) |
| Conference and travel | 27,500 | 27,255 | (245) |
| Dive team | 3,000 | 1,340 | (1,660) |
| Medical equipment supplies | 8,000 | 7,897 | (103) |
| Fire extinguishers | 3,100 | 1,532 | (1,568) |
| Ladders | 3,000 | - | (3,000) |
| SCBA | 5,800 | 4,365 | (1,435) |
| Public education | 13,245 | 5,170 | (8,075) |
| Vehicle repair and parts | 134,100 | 44,315 | (89,785) |
| Vehicle operating | 44,400 | 25,626 | (18,774) |
| TRS | 4,500 | 4,357 | (143) |
| Firefighting equipment | 35,000 | 20,109 | (14,891) |
| Training | 38,500 | 15,555 | (22,945) |
| Fire hose | 6,000 | 5,553 | (447) |
| Turnout gear | 70,000 | 88,426 | 18,426 |
| Information technology | 52,000 | 20,079 | (31,921) |
| Uniforms | 28,000 | 19,497 | (8,503) |
| Hazmat team | 7,000 | 3,682 | (3,318) |
| Buildings and grounds | 66,000 | 71,788 | 5,788 |
| Insurance | 1,156,000 | 770,310 | (385,690) |
| Total expenditures | 4,656,745 | 5,863,820 | 1,207,075 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 119,500 | 308,495 | 188,995 |

(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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|--------------------------------------|-------------------|----------------------------------|
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | \$ - | \$ 50,000 | \$ 50,000 |
| Transfers (out) | (3,550) | (650,000) | (646,450) |
| Proceeds from the sale of capital assets | - | 22,995 | 22,995 |
| | | | |
| Total other financing sources (uses) | (3,550) | (577,005) | (573,455) |
| | | | |
| NET CHANGE IN FUND BALANCE | <u>\$ 115,950</u> | (268,510) | <u>\$ (384,460)</u> |
| | | | |
| FUND BALANCE, JUNE 1 | | <u>455,220</u> | |
| | | | |
| FUND BALANCE, MAY 31 | | <u>\$ 186,710</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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|------------------------------|--------------|--------------------------|
| REVENUES | | | |
| Property taxes | \$ 3,842,699 | \$ 3,813,038 | \$ (29,661) |
| Replacement taxes | - | - | - |
| Charges for services | 1,000,000 | 1,268,478 | 268,478 |
| Miscellaneous | 65,000 | 21,454 | (43,546) |
| Total revenues | 4,907,699 | 5,102,970 | 195,271 |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Administrative | 120,050 | 86,872 | (33,178) |
| Wages | 2,673,800 | 1,959,281 | (714,519) |
| Pension contributions | 250,000 | 250,000 | - |
| Operational - miscellaneous | | | |
| Photography | 1,000 | - | (1,000) |
| Communication | 7,500 | 3,491 | (4,009) |
| Dispatch services | 60,000 | 66,075 | 6,075 |
| IT contractual services | 90,000 | 80,684 | (9,316) |
| Fire prevention | - | - | - |
| Equipment repairs | 8,500 | 6,250 | (2,250) |
| Conference and travel | 27,500 | 27,254 | (246) |
| Medical equipment supplies | 15,200 | 18,352 | 3,152 |
| Public education | 7,500 | 1,578 | (5,922) |
| Vehicle repair and parts | 67,100 | 32,241 | (34,859) |
| Vehicle operating | 44,400 | 19,172 | (25,228) |
| Training | 24,300 | 6,601 | (17,699) |
| Firefighting equipment | - | 165 | 165 |
| EMS billing fees | 60,000 | 54,068 | (5,932) |
| Turnout gear | 20,462 | 2,521 | (17,941) |
| Information technology | 52,000 | 20,698 | (31,302) |
| Uniforms | 28,000 | 19,557 | (8,443) |
| Paramedic services | 98,837 | 95,723 | (3,114) |
| Buildings and grounds | 92,000 | 68,795 | (23,205) |
| Insurance | 1,156,000 | 905,132 | (250,868) |
| Total expenditures | 4,904,149 | 3,724,510 | (1,179,639) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 3,550 | 1,378,460 | 1,374,910 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 50,000 | 50,000 |
| Transfers (out) | (3,550) | (1,650,000) | (1,646,450) |
| Total other financing sources (uses) | (3,550) | (1,600,000) | (1,596,450) |
| NET CHANGE IN FUND BALANCE | \$ - | (221,540) | \$ (221,540) |
| FUND BALANCE, JUNE 1 | | 401,580 | |
| FUND BALANCE, MAY 31 | | \$ 180,040 | |

(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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|----------------------------|--------------------------------------|-----------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 475,501 | \$ 471,831 | \$ (3,670) |
| Total revenues | 475,501 | 471,831 | (3,670) |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Paramedic services | 475,501 | 477,353 | 1,852 |
| Total expenditures | 475,501 | 477,353 | 1,852 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | (5,522) | <u>\$ (5,522)</u> |
| FUND BALANCE, JUNE 1 | | <u>11,002</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 5,480</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, 2016

| | 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 | 500,000 | 497,600 |
| Total other financing sources (uses) | 2,400 | 500,000 | 497,600 |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,400</u> | <u>500,000</u> | <u>\$ 497,600</u> |
| FUND BALANCE, JUNE 1 | | <u>3,108,369</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, 2016

ASSETS

| | |
|----------------------|----------------------------|
| Cash and investments | \$ - |
| Receivables | |
| Property taxes | 1,419,160 |
| Prepaid items | <u>96,887</u> |
| TOTAL ASSETS | <u>\$ 1,516,047</u> |

**LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND FUND BALANCES**

LIABILITIES

| | |
|--------------------|--------------|
| Accrued payroll | \$ 9,170 |
| Due to other funds | <u>249</u> |
| Total liabilities | <u>9,419</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|---|------------------|
| Unavailable revenue - property taxes | <u>1,419,160</u> |
| Total deferred inflows of resources | <u>1,419,160</u> |
| Total liabilities and deferred inflows of resources | <u>1,428,579</u> |

FUND BALANCES

| | |
|---------------------|----------------|
| Nonspendable | 96,887 |
| Unassigned | <u>(9,419)</u> |
| Total fund balances | <u>87,468</u> |

**TOTAL LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND FUND BALANCES**

\$ 1,516,047

(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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|--------------------------------------|------------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 1,400,030 | \$ 1,389,319 | \$ (10,711) |
| Total revenues | 1,400,030 | 1,389,319 | (10,711) |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Wages | 805,030 | 788,229 | (16,801) |
| Insurance | 595,000 | 518,269 | (76,731) |
| Total expenditures | 1,400,030 | 1,306,498 | (93,532) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | 82,821 | 82,821 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | - | (100,000) | (100,000) |
| Total other financing sources (uses) | - | (100,000) | (100,000) |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>(17,179)</u> | <u>\$ (17,179)</u> |
| FUND BALANCE, JUNE 1 | | <u>104,647</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 87,468</u> | |

(See independent auditor's report.)

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

**BALANCE SHEET
CAPITAL IMPROVEMENT FUND**

May 31, 2016

ASSETS

| | |
|----------------------|----------------------------|
| Cash and investments | <u>\$ 3,997,765</u> |
| TOTAL ASSETS | <u><u>\$ 3,997,765</u></u> |

LIABILITIES AND FUND BALANCES

LIABILITIES

| | |
|-------------------|-----------------|
| Accounts payable | <u>\$ 8,381</u> |
| Total liabilities | <u>8,381</u> |

FUND BALANCES

| | |
|----------------------|------------------|
| Assigned | |
| Capital improvements | <u>3,989,384</u> |
| Total fund balances | <u>3,989,384</u> |

| | |
|--|----------------------------|
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 3,997,765</u></u> |
|--|----------------------------|

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|--------------------------------------|---------------------|----------------------------------|
| REVENUES | | | |
| None | \$ - | \$ - | \$ - |
| Total revenues | - | - | - |
| EXPENDITURES | | | |
| Capital outlay | 830,000 | 2,827,562 | 1,997,562 |
| Total expenditures | 830,000 | 2,827,562 | 1,997,562 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (830,000) | (2,827,562) | (1,997,562) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 4,600 | 1,800,000 | 1,795,400 |
| Total other financing sources (uses) | 4,600 | 1,800,000 | 1,795,400 |
| NET CHANGE IN FUND BALANCE | <u>\$ (825,400)</u> | (1,027,562) | <u>\$ (202,162)</u> |
| FUND BALANCE, JUNE 1 | | <u>5,016,946</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 3,989,384</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, 2016

| | <u>Special Revenue</u> | | | | <u>Total Nonmajor Governmental</u> |
|---|------------------------|----------------------------|--|-----------------------------------|--|
| | <u>Audit</u> | <u>Social Security</u> | <u>Illinois Municipal Retirement</u> | <u>Foreign Fire Insurance</u> | |
| ASSETS | | | | | |
| Cash and investments | \$ 8,341 | \$ 15,005 | \$ 46,234 | \$ 82,131 | \$ 151,711 |
| Receivables | | | | | |
| Property taxes | 20,718 | 106,696 | 47,651 | - | 175,065 |
| TOTAL ASSETS | <u>\$ 29,059</u> | <u>\$ 121,701</u> | <u>\$ 93,885</u> | <u>\$ 82,131</u> | <u>\$ 326,776</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 1,000 | \$ 1,000 |
| Total liabilities | - | - | - | 1,000 | 1,000 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - property taxes | 20,718 | 106,696 | 47,651 | - | 175,065 |
| Total deferred inflows of resources | 20,718 | 106,696 | 47,651 | - | 175,065 |
| Total liabilities and deferred inflows of resources | 20,718 | 106,696 | 47,651 | 1,000.00 | 176,065 |
| FUND BALANCES | | | | | |
| Restricted | | | | | |
| Audit | 8,341 | - | - | - | 8,341 |
| Social Security | - | 15,005 | - | - | 15,005 |
| IMRF | - | - | 46,234 | - | 46,234 |
| Public safety | - | - | - | 81,131 | 81,131 |
| Total fund balances | 8,341 | 15,005 | 46,234 | 81,131 | 150,711 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 29,059</u> | <u>\$ 121,701</u> | <u>\$ 93,885</u> | <u>\$ 82,131</u> | <u>\$ 326,776</u> |

(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, 2016

| | Special Revenue | | | | Total Nonmajor Governmental |
|------------------------------|-----------------|--------------------|-------------------------------------|---------------------------|-----------------------------------|
| | Audit | Social Security | Illinois Municipal Retirement | Foreign Fire Insurance | |
| REVENUES | | | | | |
| Property taxes | \$ 17,176 | \$ 104,065 | \$ 46,476 | \$ - | \$ 167,717 |
| Foreign fire insurance tax | - | - | - | 73,585 | 73,585 |
| Total revenues | 17,176 | 104,065 | 46,476 | 73,585 | 241,302 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Public safety | | | | | |
| Audit | 18,960 | - | - | - | 18,960 |
| Social Security | - | 31,970 | - | - | 31,970 |
| Medicare | - | 76,026 | - | - | 76,026 |
| IMRF | - | - | 37,296 | - | 37,296 |
| Operational - miscellaneous | - | - | - | 70,362 | 70,362 |
| Total expenditures | 18,960 | 107,996 | 37,296 | 70,362 | 234,614 |
| NET CHANGE IN FUND BALANCES | (1,784) | (3,931) | 9,180 | 3,223 | 6,688 |
| FUND BALANCES, JUNE 1 | 10,125 | 18,936 | 37,054 | 77,908 | 144,023 |
| FUND BALANCES, MAY 31 | \$ 8,341 | \$ 15,005 | \$ 46,234 | \$ 81,131 | \$ 150,711 |

(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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 17,309 | \$ 17,176 | \$ (133) |
| Total revenues | 17,309 | 17,176 | (133) |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Audit | 17,309 | 18,960 | 1,651 |
| Total expenditures | 17,309 | 18,960 | 1,651 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | (1,784) | <u>\$ (1,784)</u> |
| FUND BALANCE, JUNE 1 | | <u>10,125</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 8,341</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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|----------------------------|--------------------------------------|---------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 104,875 | \$ 104,065 | \$ (810) |
| Total revenues | 104,875 | 104,065 | (810) |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Social Security | 40,000 | 31,970 | (8,030) |
| Medicare | 64,875 | 76,026 | 11,151 |
| Total expenditures | 104,875 | 107,996 | 3,121 |
| NET CHANGE IN FUND BALANCE | \$ - | (3,931) | \$ (3,931) |
| FUND BALANCE, JUNE 1 | | 18,936 | |
| FUND BALANCE, MAY 31 | | \$ 15,005 | |

(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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|----------------------------|--------------------------------------|------------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 46,837 | \$ 46,476 | \$ (361) |
| Total revenues | <u>46,837</u> | <u>46,476</u> | <u>(361)</u> |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| IMRF | <u>46,837</u> | <u>37,296</u> | <u>(9,541)</u> |
| Total expenditures | <u>46,837</u> | <u>37,296</u> | <u>(9,541)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>9,180</u> | <u>\$ 9,180</u> |
| FUND BALANCE, JUNE 1 | | <u>37,054</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 46,234</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, 2016

| | Original and Final Budget | Actual | Variance Over (Under) |
|-----------------------------|--------------------------------------|------------------|----------------------------------|
| REVENUES | | | |
| Foreign fire insurance tax | \$ 50,000 | \$ 73,585 | \$ 23,585 |
| Total revenues | 50,000 | 73,585 | 23,585 |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Operational - miscellaneous | 100,000 | 70,362 | (29,638) |
| Total expenditures | 100,000 | 70,362 | (29,638) |
| NET CHANGE IN FUND BALANCE | <u>\$ (50,000)</u> | 3,223 | <u>\$ 53,223</u> |
| FUND BALANCE, JUNE 1 | | <u>77,908</u> | |
| FUND BALANCE, MAY 31 | | <u>\$ 81,131</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. | 71-78 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the sales tax. | 79-84 |
| 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. | 85-87 |
| 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. | 88-89 |
| 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. | 90-92 |

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 | 2007 | 2008 | 2009 | 2010 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Net investment in capital assets | \$ 7,283,897 | \$ 6,954,431 | \$ 6,910,165 | \$ 6,522,422 |
| Restricted | | | | |
| Audit | - | - | - | - |
| Social Security | - | - | - | - |
| IMRF | - | - | - | - |
| Insurance | - | - | - | - |
| Public safety | - | - | - | - |
| Net pension asset | - | - | - | - |
| Unrestricted | 4,100,059 | 4,975,026 | 5,049,354 | 5,224,433 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 11,383,956 | \$ 11,929,457 | \$ 11,959,519 | \$ 11,746,855 |

Note: The District implemented GASB Statement No. 68 in 2015.

Data Source

Audited Financial Statements

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------|---------------|---------------|---------------|---------------|-----------------|
| <hr/> | | | | | |
| \$ 6,400,604 | \$ 5,957,971 | \$ 6,632,122 | \$ 7,539,458 | \$ 8,824,749 | \$ 10,699,464 |
| - | 6,519 | 6,017 | 5,790 | 10,125 | 8,341 |
| - | 8,547 | 16,872 | 14,939 | 18,936 | 15,005 |
| - | 15,062 | 19,316 | 27,574 | 37,054 | 46,234 |
| - | 282,661 | 237,928 | 46,403 | - | - |
| - | 73,551 | 104,401 | 98,867 | 77,908 | 81,131 |
| - | 734,019 | - | - | - | - |
| 4,910,139 | 5,851,070 | 6,148,724 | 5,026,192 | 4,853,627 | (22,095,983) |
| <hr/> | | | | | |
| \$ 11,310,743 | \$ 12,929,400 | \$ 13,165,380 | \$ 12,759,223 | \$ 13,822,399 | \$ (11,245,808) |
| <hr/> | | | | | |

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

| Fiscal Year | 2007 | 2008 | 2009 | 2010 |
|---|-----------------------|-----------------------|-----------------------|------------------------|
| EXPENSES | | | | |
| Governmental activities | | | | |
| Public safety | \$ 8,156,652 | \$ 9,116,168 | \$ 9,784,529 | \$ 10,400,172 |
| General government | 814,515 | 258,398 | 147,969 | 273,008 |
| Health and welfare | 77,985 | 90,944 | 100,085 | 101,759 |
| Interest | 10,161 | 16,855 | 14,193 | 6,163 |
| TOTAL PRIMARY GOVERNMENT EXPENSES | \$ 9,059,313 | \$ 9,482,365 | \$ 10,046,776 | \$ 10,781,102 |
| PROGRAM REVENUES | | | | |
| Governmental activities | | | | |
| Charges for services | \$ 189,351 | \$ 193,608 | \$ 170,423 | \$ 241,649 |
| Operating grants and contributions | 1,059 | 2,084 | 55,638 | 60,839 |
| Capital grants and contributions | 65,807 | 42,839 | 35,900 | 32,200 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | \$ 256,217 | \$ 238,531 | \$ 261,961 | \$ 334,688 |
| TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES) | \$ (8,803,096) | \$ (9,243,834) | \$ (9,784,815) | \$ (10,446,414) |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | |
| Governmental activities | | | | |
| Taxes | | | | |
| Property | \$ 8,425,048 | \$ 8,905,083 | \$ 9,227,569 | \$ 9,787,140 |
| Replacement | 293,534 | 323,558 | 283,649 | 235,518 |
| Intergovernmental - foreign fire insurance | 42,643 | 44,812 | 48,186 | 55,417 |
| Investment income | 462,647 | 411,517 | 136,864 | 68,708 |
| Health insurance reimbursement | - | - | - | - |
| Workers insurance benefits collected | 53,079 | 94,443 | 104,176 | 64,823 |
| Miscellaneous | 8,752 | 9,921 | 14,433 | 22,144 |
| Total governmental activities | 9,285,703 | 9,789,334 | 9,814,877 | 10,233,750 |
| TOTAL PRIMARY GOVERNMENT | \$ 9,285,703 | \$ 9,789,334 | \$ 9,814,877 | \$ 10,233,750 |
| TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION | \$ 482,607 | \$ 545,500 | \$ 30,062 | \$ (212,664) |

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

Data Source

Audited Financial Statements

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 11,599,795 | \$ 11,458,835 | \$ 11,759,697 | \$ 13,045,241 | \$ 12,356,260 | \$ 14,090,929 |
| 306,211 | - | - | - | - | - |
| 109,773 | - | - | - | - | - |
| 5,043 | - | - | 1,351 | - | - |
| \$ 12,020,822 | \$ 11,458,835 | \$ 11,759,697 | \$ 13,046,592 | \$ 12,356,260 | \$ 14,090,929 |
| \$ 832,107 | \$ 907,472 | \$ 1,155,768 | \$ 1,156,318 | \$ 1,226,170 | \$ 1,389,564 |
| 171,452 | 424,890 | 296,797 | 39,100 | 284,447 | 82,064 |
| 43,150 | - | - | - | - | - |
| \$ 1,046,709 | \$ 1,332,362 | \$ 1,452,565 | \$ 1,195,418 | \$ 1,510,617 | \$ 1,471,628 |
| \$ (10,974,113) | \$ (10,126,473) | \$ (10,307,132) | \$ (11,851,174) | \$ (10,845,643) | \$ (12,619,301) |
| \$ 9,826,789 | \$ 10,132,733 | \$ 10,282,754 | \$ 10,510,709 | \$ 10,996,319 | \$ 11,337,122 |
| 288,377 | 256,366 | 271,209 | 284,236 | 297,505 | 273,890 |
| 58,405 | 55,518 | 64,786 | 64,682 | 69,952 | 73,585 |
| 96,823 | 39,194 | 79,346 | 65,769 | 123,141 | 166,184 |
| 199,724 | - | - | - | - | - |
| 20,338 | - | - | - | - | - |
| 47,545 | 544,362 | 427,766 | 466,024 | 421,902 | 55,328 |
| 10,538,001 | 11,028,173 | 11,125,861 | 11,391,420 | 11,908,819 | 11,906,109 |
| \$ 10,538,001 | \$ 11,028,173 | \$ 11,125,861 | \$ 11,391,420 | \$ 11,908,819 | \$ 11,906,109 |
| \$ (436,112) | \$ 901,700 | \$ 818,729 | \$ (459,754) | \$ 1,063,176 | \$ (713,192) |

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

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| Fiscal Year | 2007 | 2008 | 2009 | 2010 |
|---|---------------------|---------------------|---------------------|---------------------|
| GENERAL FUND | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | 29,285 | 29,285 | 31,163 | 35,870 |
| Assigned | - | - | - | - |
| Operating Reserve | - | - | - | - |
| Unassigned | | | | |
| General subfund | 1,057,444 | 914,220 | 453,845 | (27,515) |
| Ambulance subfund | 270,249 | 209,876 | 302,489 | 603,906 |
| Rescue subfund | 176,786 | 185,362 | 281,043 | 365,407 |
| TOTAL GENERAL FUND | \$ 1,533,764 | \$ 1,338,743 | \$ 1,068,540 | \$ 977,668 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | | | | |
| Audit | 4,287 | 6,508 | 8,952 | 9,374 |
| Insurance | - | - | - | - |
| Social Security | - | 7,166 | 8,734 | 10,327 |
| IMRF | - | - | 3,630 | 8,640 |
| Foreign fire insurance fund | | | | 42,262 |
| Assigned | | | | |
| Operating Reserve | 1,024,485 | 1,518,306 | 1,909,824 | 1,952,398 |
| Capital projects | 1,539,908 | 2,106,895 | 2,458,781 | 3,362,068 |
| Unassigned | | | | |
| Special revenue | (3,609) | (2,358) | - | - |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ 2,565,071 | \$ 3,636,517 | \$ 4,389,921 | \$ 5,385,069 |
| TOTAL ALL GOVERNMENTAL FUNDS | \$ 4,098,835 | \$ 4,975,260 | \$ 5,458,461 | \$ 6,362,737 |

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

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 36,045 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 2,137,143 | 2,214,114 | 2,335,471 | 3,108,369 | 3,608,369 |
| 3,359 | 503,794 | 1,209,315 | 1,419,482 | 455,220 | 186,710 |
| 658,576 | 993,813 | 1,566,864 | 1,787,702 | 401,580 | 180,040 |
| 424,665 | 540,036 | 139,212 | 125,787 | 11,002 | 5,480 |
| \$ 1,122,645 | \$ 4,174,786 | \$ 5,129,505 | \$ 5,668,442 | \$ 3,976,171 | \$ 3,980,599 |
| \$ - | \$ 702,699 | \$ 53,597 | \$ - | \$ 550,479 | \$ 96,887 |
| 8,356 | 6,519 | 6,017 | 5,790 | 10,125 | 8,341 |
| - | 282,661 | 237,928 | 147,983 | - | - |
| 11,539 | 8,547 | 16,872 | 14,939 | 18,936 | 15,005 |
| 17,058 | 15,062 | 19,316 | 27,574 | 37,054 | 46,234 |
| 28,676 | 73,551 | 104,401 | 98,867 | 77,908 | 81,131 |
| 1,966,941 | - | - | - | - | - |
| 3,573,570 | 3,640,805 | 4,173,726 | 3,518,609 | 4,575,624 | 3,989,384 |
| - | - | - | - | (4,510) | (9,419) |
| \$ 5,606,140 | \$ 4,729,844 | \$ 4,611,857 | \$ 3,813,762 | \$ 5,265,616 | \$ 4,227,563 |
| \$ 6,728,785 | \$ 8,904,630 | \$ 9,741,362 | \$ 9,482,204 | \$ 9,241,787 | \$ 8,208,162 |

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| Fiscal Year | 2007 | 2008 | 2009 | 2010 |
|--|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Property taxes | \$ 8,718,563 | \$ 9,228,641 | \$ 9,511,218 | \$ 10,062,343 |
| Personal property replacement taxes | - | - | - | - |
| Foreign fire insurance | - | - | - | - |
| Charges for services | 179,973 | 184,332 | 160,516 | 241,649 |
| Intergovernmental | - | - | - | - |
| Investment income | 253,973 | 347,113 | 101,455 | 60,485 |
| Miscellaneous | 127,639 | 104,411 | 164,064 | 110,471 |
| Total revenues | 9,280,148 | 9,864,497 | 9,937,253 | 10,474,948 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | - | - | - | - |
| Personnel | 7,681,001 | 8,049,340 | 8,396,034 | 8,573,673 |
| Administration | 260,245 | 258,398 | 147,969 | 249,231 |
| Health and welfare | 77,985 | 90,944 | 100,085 | 101,759 |
| Capital outlay | 555,623 | 289,390 | 510,044 | 271,849 |
| Total expenditures | 8,574,854 | 8,688,072 | 9,154,132 | 9,196,512 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 705,294 | 1,176,425 | 783,121 | 1,278,436 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 837,000 | 972,725 | 720,000 | 960,000 |
| Transfers (out) | (837,000) | (1,272,725) | (1,019,920) | (1,346,160) |
| Sale of capital assets | 171,148 | - | - | 12,000 |
| Total other financing sources (uses) | 171,148 | (300,000) | (299,920) | (374,160) |
| NET CHANGE IN FUND BALANCES | \$ 876,442 | \$ 876,425 | \$ 483,201 | \$ 904,276 |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----|-------------|---------------|---------------|---------------|---------------|----------------|
| \$ | 10,157,849 | \$ 10,132,733 | \$ 10,282,754 | \$ 10,510,709 | \$ 10,996,319 | \$ 11,337,122 |
| | - | 256,366 | 271,209 | 284,236 | 297,505 | 273,890 |
| | - | 55,518 | 64,786 | 64,682 | 69,952 | 73,585 |
| | 832,107 | 907,472 | 1,155,768 | 1,156,318 | 1,226,170 | 1,389,564 |
| | - | 424,890 | 296,797 | 39,100 | 284,447 | 82,064 |
| | 83,111 | 39,194 | 79,346 | 65,769 | 123,141 | 166,184 |
| | 492,175 | 544,362 | 427,766 | 466,024 | 421,902 | 55,328 |
| | 11,565,242 | 12,360,535 | 12,578,426 | 12,586,838 | 13,419,436 | 13,377,737 |
| | - | 10,527,548 | 10,409,997 | 11,020,433 | 11,681,264 | 11,606,795 |
| | 10,001,272 | - | - | - | - | - |
| | 306,211 | - | - | - | - | - |
| | 109,773 | - | - | - | - | - |
| | 395,061 | 181,133 | 1,385,697 | 2,161,258 | 2,001,663 | 2,827,562 |
| | 10,812,317 | 10,708,681 | 11,795,694 | 13,181,691 | 13,682,927 | 14,434,357 |
| | 752,925 | 1,651,854 | 782,732 | (594,853) | (263,491) | (1,056,620) |
| | 624,500 | 1,653,585 | 1,210,800 | 1,268,000 | 3,520,000 | 1,900,000 |
| | (1,035,277) | (1,653,585) | (1,210,800) | (1,268,000) | (3,520,000) | (1,900,000) |
| | 23,900 | 76,179 | 54,000 | 335,695 | 23,074 | 22,995 |
| | (386,877) | 76,179 | 54,000 | 335,695 | 23,074 | 22,995 |
| \$ | 366,048 | \$ 1,728,033 | \$ 836,732 | \$ (259,158) | \$ (240,417) | \$ (1,033,625) |

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 |
|-----------|----------------------|---------------------|---------------------|---------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| 2006 | \$ 854,428,557 | \$ 111,950,052 | \$ 383,928,100 | \$ 390,378 | \$ 1,350,697,087 | 0.6605 | \$ 4,052,091,261 | 33.333% |
| 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% |

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 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| DISTRICT DIRECT RATES | | | | | | | | | | |
| Corporate | 0.3275 | 0.3193 | 0.3111 | 0.3135 | 0.3519 | 0.3645 | 0.4000 | 0.3626 | 0.3774 | 0.3683 |
| Ambulance | 0.2374 | 0.2307 | 0.2257 | 0.2275 | 0.2551 | 0.2666 | 0.3000 | 0.3623 | 0.3774 | 0.3683 |
| Tort liability | 0.0000 | 0.0012 | 0.0011 | 0.0011 | 0.0013 | 0.0520 | 0.0834 | 0.1365 | 0.1375 | 0.1370 |
| Firefighters' pension | 0.0473 | 0.0546 | 0.0639 | 0.0674 | 0.0759 | 0.0763 | 0.0991 | 0.1152 | 0.1202 | 0.1198 |
| Firefighters' pension exempt | 0.0000 | 0.0024 | 0.0057 | 0.0061 | 0.0071 | 0.0079 | 0.0138 | 0.0185 | 0.0463 | 0.0676 |
| Audit | 0.0011 | 0.0012 | 0.0011 | 0.0011 | 0.0013 | 0.0014 | 0.0017 | 0.0018 | 0.0017 | 0.0019 |
| Emergency Rescue | 0.0416 | 0.0404 | 0.0385 | 0.0388 | 0.0437 | 0.0470 | 0.0500 | 0.0464 | 0.0467 | 0.0462 |
| IMRF | 0.0016 | 0.0023 | 0.0022 | 0.0022 | 0.0025 | 0.0035 | 0.0042 | 0.0046 | 0.0046 | 0.0046 |
| Social Security | 0.0040 | 0.0039 | 0.0037 | 0.0037 | 0.0060 | 0.0082 | 0.0097 | 0.0104 | 0.0103 | 0.0103 |
| Total district direct rates | 0.6605 | 0.6560 | 0.6530 | 0.6614 | 0.7448 | 0.8274 | 0.9619 | 1.0583 | 1.1221 | 1.1240 |
| OVERLAPPING RATES | | | | | | | | | | |
| County of DuPage | 0.1236 | 0.1207 | 0.1137 | 0.1135 | 0.1212 | 0.1296 | 0.1410 | 0.1491 | 0.1504 | 0.1441 |
| DuPage Health Department | 0.0477 | 0.0444 | 0.0420 | 0.0419 | 0.0447 | 0.0477 | 0.0519 | 0.0549 | 0.0553 | 0.0530 |
| Forest Preserve District of DuPage County | 0.1303 | 0.1187 | 0.1206 | 0.1217 | 0.1321 | 0.1414 | 0.1542 | 0.1657 | 0.1691 | 0.1622 |
| Airport Authority | 0.0183 | 0.0170 | 0.0160 | 0.0148 | 0.0158 | 0.0169 | 0.0168 | 0.0178 | 0.0196 | 0.0188 |
| Townships | 0.1125 | 0.1113 | 0.1107 | 0.1114 | 0.1271 | 44.1379 | 0.1636 | 0.1781 | 0.1844 | 0.1792 |
| Village of Addison | 0.3784 | 0.3815 | 0.3767 | 0.4137 | 0.4934 | 0.5494 | 0.6543 | 0.7524 | 0.8109 | 0.8393 |
| Library | 0.2734 | 0.2781 | 0.2782 | 0.2834 | 0.3221 | 0.3656 | 0.4316 | 0.4777 | 0.4988 | 0.5051 |
| Park District | 0.3136 | 0.3114 | 0.3055 | 0.3092 | 0.3427 | 0.3747 | 0.4307 | 0.4659 | 0.4800 | 0.4720 |
| School districts | 3.4320 | 3.4732 | 3.4454 | 3.5345 | 3.9799 | 4.4054 | 5.1704 | 5.6979 | 5.9181 | 5.8503 |
| Total overlapping rates | 4.8298 | 4.8563 | 4.8088 | 4.9441 | 5.5790 | 50.1686 | 7.2145 | 7.9595 | 8.2866 | 8.2240 |
| TOTAL DIRECT AND OVERLAPPING RATES | 5.4903 | 5.5123 | 5.4618 | 5.6055 | 6.3238 | 50.9960 | 8.1764 | 9.0178 | 9.4087 | 9.3480 |

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 | 2015 | | | 2006 | | |
|--------------------------|------------------------------|------|--|------------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Valuation |
| Pampered Chef | \$ 8,847,070 | 1 | 0.85% | \$ 16,507,880 | 1 | 1.17% |
| Walmart Proeprty Tax Dep | 6,866,150 | 2 | 0.66% | 7,595,220 | 5 | 0.54% |
| IDI Gazeley Brookfield | 6,161,130 | 3 | 0.59% | | | |
| Brookind Corporation | 5,455,250 | 4 | 0.52% | 8,509,560 | 4 | 0.60% |
| WPI Rohlwing LLC | 4,705,350 | 5 | 0.45% | | | |
| SVF Swift Center LLC | 3,971,100 | 6 | 0.38% | | | |
| Devry | 3,717,020 | 7 | 0.36% | 5,310,190 | 9 | 0.38% |
| Evergreen Real Estate | 3,095,080 | 8 | 0.30% | | | |
| Oxford Bank & Trust 535 | 2,999,700 | 9 | 0.29% | | | |
| LPF Addison LLC | 2,989,480 | 10 | 0.29% | | | |
| Riggs & Company | | | | 15,879,202 | 2 | 1.12% |
| AMB Prop Re Tax Co | | | | 10,009,690 | 3 | 0.71% |
| 890 S. Rohlwing Rd LLC | | | | 7,170,470 | 6 | 0.51% |
| Mercantile Safe Deposit | | | | 6,375,440 | 7 | 0.45% |
| Chicago Title & Trust | | | | 6,365,520 | 8 | 0.45% |
| Hamilton Partners | | | | 5,230,510 | 10 | 0.37% |
| | <u>\$ 48,807,330</u> | | <u>4.69%</u> | <u>\$ 88,953,682</u> | | <u>6.30%</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 |
| 2006 | \$ 8,922,380 | \$ 8,905,083 | 99.81% | - | \$ 8,905,083 | 99.81% |
| 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 | - | 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 | 2006 | 2007 | 2008 | 2009 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| EQUALIZED ASSESSED VALUATION | \$ 1,350,697,087 | \$ 1,413,233,730 | \$ 1,503,132,023 | \$ 1,491,583,589 |
| TAX RATES BY SUBFUND | | | | |
| Corporate | 0.3275 | 0.3193 | 0.3111 | 0.3135 |
| Ambulance | 0.2374 | 0.2307 | 0.2257 | 0.2275 |
| Tort liability | - | 0.0012 | 0.0011 | 0.0011 |
| Social Security | 0.0040 | 0.0039 | 0.0037 | 0.0037 |
| IMRF | 0.0016 | 0.0023 | 0.0022 | 0.0022 |
| Audit | 0.0011 | 0.0012 | 0.0011 | 0.0011 |
| Rescue | 0.0416 | 0.0404 | 0.0385 | 0.0388 |
| Firefighters' pension | 0.0473 | 0.0546 | 0.0639 | 0.0674 |
| Firefighters' pension exempt | - | 0.0024 | 0.0057 | 0.0061 |
| TOTAL TAX RATE | 0.6605 | 0.6560 | 0.6530 | 0.6614 |
| TAX LEVY AS EXTENDED | | | | |
| Corporate | \$ 4,424,042 | \$ 4,513,160 | \$ 4,677,144 | \$ 4,677,227 |
| Ambulance | 3,206,924 | 3,260,841 | 3,393,222 | 3,394,160 |
| Tort liability | - | 16,961 | 16,538 | 16,411 |
| Social Security | 54,034 | 55,125 | 55,627 | 55,202 |
| IMRF | 21,614 | 32,509 | 33,075 | 32,823 |
| Audit | 14,859 | 16,961 | 16,538 | 16,411 |
| Rescue | 561,955 | 571,036 | 578,817 | 578,872 |
| Firefighters' pension | 638,953 | 771,746 | 960,686 | 1,005,567 |
| Firefighters' pension exempt | - | 33,923 | 85,695 | 91,008 |
| TOTAL EXTENSIONS | \$ 8,922,381 | \$ 9,272,262 | \$ 9,817,342 | \$ 9,867,681 |
| TAXES COLLECTED TO DATE | \$ 8,905,083 | \$ 9,227,569 | \$ 9,787,140 | \$ 9,826,789 |
| PERCENT OF COLLECTION TO EXTENSION | 99.81% | 99.52% | 99.69% | 99.59% |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 1,364,392,417 | \$ 1,248,853,201 | \$ 1,102,670,039 | \$ 1,026,821,869 | \$ 1,017,613,993 | \$ 1,046,346,716 |
| 0.3519 | 0.3645 | 0.4000 | 0.3626 | 0.3774 | 0.3683 |
| 0.2551 | 0.2666 | 0.3000 | 0.3623 | 0.3774 | 0.3683 |
| 0.0013 | 0.0520 | 0.0834 | 0.1365 | 0.1375 | 0.1370 |
| 0.0060 | 0.0082 | 0.0097 | 0.0104 | 0.0103 | 0.0103 |
| 0.0025 | 0.0035 | 0.0042 | 0.0046 | 0.0046 | 0.0046 |
| 0.0013 | 0.0014 | 0.0017 | 0.0018 | 0.0017 | 0.0019 |
| 0.0437 | 0.0470 | 0.0500 | 0.0464 | 0.0467 | 0.0462 |
| 0.0759 | 0.0763 | 0.0991 | 0.1152 | 0.1202 | 0.1198 |
| 0.0071 | 0.0079 | 0.0138 | 0.0185 | 0.0463 | 0.0676 |
| 0.7448 | 0.8274 | 0.9619 | 1.0583 | 1.1221 | 1.1240 |
| \$ 4,802,600 | \$ 4,553,293 | \$ 4,412,323 | \$ 3,724,836 | \$ 3,842,699 | \$ 3,853,695 |
| 3,481,509 | 3,330,337 | 3,309,242 | 3,721,754 | 3,842,699 | 3,853,695 |
| 17,742 | 649,578 | 919,969 | 1,402,207 | 1,400,030 | 1,433,495 |
| 81,885 | 102,433 | 106,999 | 106,835 | 104,875 | 107,774 |
| 34,119 | 43,722 | 46,329 | 47,254 | 46,837 | 48,132 |
| 17,742 | 17,489 | 18,753 | 18,490 | 17,310 | 19,880 |
| 596,401 | 587,119 | 551,540 | 476,647 | 475,501 | 483,412 |
| 1,035,855 | 953,131 | 1,093,153 | 1,183,401 | 1,223,880 | 1,253,523 |
| 96,898 | 98,686 | 152,225 | 190,042 | 471,428 | 707,331 |
| \$ 10,164,751 | \$ 10,335,788 | \$ 10,610,533 | \$ 10,871,466 | \$ 11,425,259 | \$ 11,760,937 |
| \$ 10,132,733 | \$ 10,282,754 | \$ 10,510,709 | \$ 10,841,823 | \$ 11,334,027 | \$ - |
| 99.69% | 99.49% | 99.06% | 99.73% | 99.20% | 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 | | | |
| 2007 | \$ - | \$ - | \$ - | 0.00% | 0.00% | \$ - |
| 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% | - |

* See the Schedule of Demographic and Economic Information on page 88 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, 2015

| 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 | 22,360,000 | 95.00% | 21,242,000 |
| DuPage County | 223,138,337 | 3.24% | 7,229,682 |
| Addison Park District | 5,496,000 | 94.82% | 5,211,307 |
| Bensenville Park District | 1,935,000 | 1.09% | 21,092 |
| Bloomington Park District | 5,510,940 | 1.61% | 88,726 |
| Elmhurst Park District | 4,330,000 | 0.27% | 11,691 |
| School District No. 2 | 31,685,000 | 1.18% | 373,883 |
| School District No. 4 | 13,345,000 | 81.58% | 10,886,851 |
| School District No. 13 | 3,130,000 | 2.59% | 81,067 |
| School District No. 15 | 12,901,100 | 26.14% | 3,372,348 |
| School District No. 205 | 89,328,982 | 0.26% | 232,255 |
| High School District No. 87 | 53,815,000 | 2.71% | 1,458,387 |
| High School District No. 88 | 108,060,000 | 32.90% | 35,551,740 |
| High School District No. 100 | 2,254,255 | 0.65% | 14,653 |
| High School District No. 108 | 39,140,000 | 0.71% | - |
| Total overlapping debt | 616,429,614 | | 85,775,682 |
| TOTAL DIRECT AND OVERLAPPING DEBT | \$ 616,429,614 | | \$ 85,775,682 |

(1) Determined by applying the ratio of

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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Legal debt margin | \$ 77,665,083 | \$ 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 |
| Total debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| LEGAL DEBT MARGIN | \$ 77,665,083 | \$ 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 |
| 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 | \$ 1,046,346,716 |
| Legal debt margin | <u>5.75%</u> |
| Debt limit | 60,164,936 |
| Debt applicable to limit None | <u>-</u> |
| LEGAL DEBT MARGIN | <u>\$ 60,164,936</u> |

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

| Fiscal Year | Population | Per Capita Personal Income | Total Personal Income | Unemployment Rate |
|------------------------|-------------------|---|--------------------------------------|------------------------------|
| 2007 | 35,914 | \$ 23,926 | \$ 859,278,364 | 5.50% |
| 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 | 25,038 | 924,953,796 | 7.20% |
| 2015 | 36,942 | 25,038 | 924,953,796 | 5.60% |
| 2016 | 36,942 | N/A | N/A | 6.00% |

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

| | | 2016 | | | | 2007 | |
|-------------------|-------------|--------------------------------|--------------------------------------|---------------------|-------------|--------------------------------|--------------------------------------|
| Employer | Rank | Number of Employees | % of | Employer | Rank | Number of Employees | % of |
| | | | Total District Population | | | | Total District Population |
| United Parcel | 1 | 2,914 | 7.89% | United Parcel | 1 | 2,700 | 7.52% |
| Spectra Metal | 2 | 971 | 2.63% | Pampered Chef | 2 | 950 | 2.65% |
| Pampered Chef | 3 | 788 | 2.13% | Simplex Grinnel | 3 | 260 | 0.72% |
| Dynamic Inc | 4 | 582 | 1.58% | Minuteman Intl. | 4 | 250 | 0.70% |
| Bellman Group Inc | 5 | 450 | 1.22% | Rex Electric | 5 | 250 | 0.70% |
| Devry University | 6 | 400 | 1.08% | Roman, Inc | 6 | 250 | 0.70% |
| Tailored Brands | 7 | 258 | 0.70% | Nabisco, Inc | 7 | 232 | 0.65% |
| Unisource | 8 | 250 | 0.68% | ACCO Brands Corp | 8 | 220 | 0.61% |
| Jewel Food Stores | 9 | 250 | 0.68% | Devry Inst. Of Tech | 9 | 200 | 0.56% |
| Parts Town LLC | 10 | 225 | 0.61% | Krack Corp | 10 | 200 | 0.56% |
| TOTAL | | <u>7,088</u> | | | | <u>5,512</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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Chiefs | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 |
| Firefighters/paramedics | 59 | 60 | 55 | 54 | 53 | 53 | 52 | 50 | 51 | 45 |
| Administrative staff | 3 | 3 | 3 | 3 | 3 | 4 | 5 | 3 | 3 | 2 |
| Fire prevention bureau | 1 | 2 | 3 | 2 | 3 | 4 | 5 | 3 | 3 | 3 |
| Mechanic | - | - | - | - | - | - | - | - | - | - |
| Contract personnel | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 7 |
| TOTAL | 74 | 76 | 72 | 70 | 70 | 72 | 74 | 69 | 70 | 63 |

Data Source

District internal records

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

OPERATING INDICATORS

Last Ten Calendar Years

| Calendar Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| CALLS | | | | | | | | | | |
| Structure fires | 28 | 43 | 29 | 19 | 26 | 15 | 13 | 12 | 30 | N/A |
| Other fires | 136 | 109 | 71 | 72 | 85 | 80 | 68 | 64 | 75 | N/A |
| Pressure rupture | 1 | 4 | - | 2 | 1 | - | - | - | 4 | N/A |
| Rescue and EMS calls | 3,160 | 3,037 | 2,910 | 2,945 | 2,919 | 2,962 | 2,841 | 2,971 | 3,453 | N/A |
| Hazardous condition | 223 | 236 | 151 | 187 | 208 | 204 | 130 | 139 | 161 | N/A |
| Service calls | 157 | 208 | 147 | 129 | 160 | 197 | 162 | 197 | 209 | N/A |
| False calls | 555 | 584 | 423 | 471 | 485 | 526 | 447 | 574 | 429 | N/A |
| Miscellaneous | 11 | 25 | 7 | 24 | 5 | 11 | 4 | 2 | 2 | N/A |
| Unclassified | 149 | 161 | 179 | 167 | 166 | 188 | 179 | 209 | 183 | N/A |
| TOTAL | 4,420 | 4,407 | 3,917 | 4,016 | 4,055 | 4,183 | 3,844 | 4,168 | 4,546 | N/A |

N/A - The District tracks calls based on the calendar year so 2016 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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| SUPPORT SERVICES | | | | | | | | | | |
| Fire stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Ambulances | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Engines | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 3 | 3 | 2 |
| Towers | 2 | 2 | 2 | 2 | 1 | 1 | 1 | - | - | - |
| Quints | - | - | - | - | - | 1 | 1 | 3 | 3 | 3 |
| Squads | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Administrative vehicles | 7 | 7 | 7 | 7 | 7 | 8 | 9 | 9 | 10 | 10 |
| Total Vehicles | 19 | 19 | 19 | 19 | 17 | 18 | 19 | 19 | 21 | 20 |

Data Source

District internal records