

**Palos Fire Protection District
Annual Financial Report
For The Year Ended April 30, 2018**

Palos Fire Protection District
Table of Contents
For The Year Ended April 30, 2018

	Page(s)
TABLE OF CONTENTS	i - ii
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 9
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	10
Statement of Activities - Modified Cash Basis	11
FUND FINANCIAL STATEMENTS	
Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis	
- Governmental Funds	12
Reconciliation of the Statement of Assets, Liabilities, and Fund Balances	
- Modified Cash Basis - Governmental Funds to the Statement of Net	13
Position - Modified Cash Basis	
Statement of Revenues Received, Expenditures Disbursed, and Changes in	
Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues Received, Expenditures	
Disbursed, and Changes in Fund Balances - Governmental Funds to the	
Statement of Activities - Modified Cash Basis	15
Statement of Fiduciary Net Position - Modified Cash Basis	16
Statement of Changes in Fiduciary Net Position - Modified Cash Basis	17
Notes To The Financial Statements	18 - 35
MAJOR FUNDS	
OTHER INFORMATION	
Firefighters' Pension Employer Retirement System Disclosures	36 - 38
General Fund	
Combining Schedule of Assets, Liabilities, and Fund Balances - Modified	
Cash Basis - Governmental Funds	39
Combining Schedule of Revenues Received, Expenditures Disbursed, and	
Changes in Fund Balances - Governmental Funds	40
Corporate Fund	
Budgetary Comparison Schedule	41
Tort Liability Fund	
Budgetary Comparison Schedule	42
Emergency and Rescue Fund	
Budgetary Comparison Schedule	43
Ambulance Fund	
Budgetary Comparison Schedule	44
Fire Pension Fund	
Budgetary Comparison Schedule	45

**Palos Fire Protection District
Table of Contents (Continued)
For The Year Ended April 30, 2018**

	Page(s)
MAJOR FUNDS	
INDIVIDUAL FUND SCHEDULES	
Insurance Fund	
Budgetary Comparison Schedule	46
Audit Fund	
Budgetary Comparison Schedule	47
Debt Service Fund	
Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget and Actual	48
Capital Fund	
Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget and Actual	49
SUPPLEMENTARY INFORMATION	
Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections	50



KNUTTE & ASSOCIATES, P.C.

Certified Public Accountants
7900 S. Cass Avenue
Darien, Illinois 60561
(630) 960-3317
FAX (630) 960-9960
www.knutte.com

INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Palos Fire Protection District
Palos Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Palos Fire Protection District, as of and for the year ended April 30, 2018, including the fiduciary fund, and the related notes to the 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. Management has chosen to present the financial statements on the modified cash basis of accounting.

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 from 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 entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information, including the fiduciary fund, of Palos Fire Protection District, as of April 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters**Other Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Firefighters' Pension Employer Retirement System disclosures be presented to supplement the basic financial statements. Such information, although not 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 inquires 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.

The major fund budgetary comparison schedules listed on the table of contents are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This Other Information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending April 30, 2018 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Palos Fire Protection District's basic financial statements. The combining fund financial schedules for the year ended April 30, 2018 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining fund financial schedules have 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 combining fund financial schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Supplementary Information" listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Palos Fire Protection District. The information has not been audited by us and, accordingly, we express no opinion on such matters.

Knuttle & Associates, P.C.

Darien, Illinois
November 6, 2018

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2018**

As the Palos Fire Protection District (District) management, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2018. The management of the District encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the District's financial operations.

Financial Highlights

The assets of Palos Fire Protection District exceeded its liabilities by \$5,786,326 as of April 30, 2018. The District's net position increased \$260,472 in fiscal year 2018. The majority of this increase is due to increased property taxes and ambulance fee collections.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Analysis

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position - modified cash basis* presents information on all of the District's assets and liabilities as reported using the modified cash basis of accounting. The difference between assets and liabilities is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities - modified cash basis* presents information showing how the District's net position changed during the current fiscal year. All changes in net position are recorded in the statement of activities using the modified cash basis of accounting.

The government-wide financial statements can be found on pages 10 - 11 of this report.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be categorized as one of two types: governmental fund or fiduciary fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2018**

Fund Financial Statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains four different governmental funds and one fiduciary fund (pension trust fund). Information is presented separately for the major governmental funds in the Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Governmental Funds and in the Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Governmental Funds. The major governmental funds are the General Fund (comprised of the Corporate Fund, the Tort Liability Fund, and the Emergency and Rescue Fund), the Ambulance Fund, Insurance Fund, Audit Fund, Debt Service Fund and the Capital Fund. There are no non-major governmental funds.

The District adopts an annual appropriated budget for each of the governmental funds and the fiduciary fund. Governmental budgetary comparisons are reported in the combining and individual fund financial statements and schedules section of this report.

The basic fund financial statements can be found of pages 12 - 14 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The basis of accounting used for the fiduciary funds is the modified cash basis. The fiduciary fund utilized by the District is the Firefighters' Pension Trust Fund.

The basic fiduciary fund financial statements can be found on pages 16 – 17 of this report.

Notes to the Financial Statements

The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information regarding a statement of revenues received, expenditures disbursed, and changes in fund balance - budget vs. actual for each major fund is presented in this section.

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2018**

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Palos Fire Protection District, assets exceeded liabilities by \$5,786,326 for the year ended April 30, 2018. A portion of the District's net position reflects its net investment in capital assets of \$2,009,383. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The unrestricted net position balance of \$1,216,552 at April 30, 2018 is available to fund future District obligations.

**PALOS FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

	For the Year Ended April 30,	
	2018	2017
Assets		
Current Assets	\$ 4,155,397	\$ 3,947,538
Capital Assets	2,380,678	2,491,621
Total Assets	6,536,075	6,439,159
Deferred Outflows of Resources	0	0
Liabilities		
Due Within One Year	167,947	163,556
Due in More Than One Year	581,802	749,749
Total Liabilities	749,749	913,305
Deferred Inflow of Resources	0	0
Net Position		
Net Investment in Capital Assets	2,009,383	1,578,316
Restricted	2,560,391	2,589,585
Unrestricted	1,216,552	1,357,953
Total Net Position	\$ 5,786,326	\$ 5,525,854

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2018**

Financial Analysis (Continued)

**PALOS FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

	For the Year Ended April 30,	
	2018	2017
Revenues		
Program Revenues		
Charges for Services	\$ 773,175	\$ 714,104
Operating Grants and Contributions	21,000	48,469
General Revenues		
Property Taxes	6,307,908	6,261,844
Other Taxes	23,121	16,661
Investment Income	8,231	5,142
Other Income	57,079	63,220
Total Revenues	<u>7,190,514</u>	<u>7,109,440</u>
Expenses		
Public Safety	6,906,684	6,359,216
Interest on Long-Term Debt	23,358	27,627
Total Expenses	<u>6,930,042</u>	<u>6,386,843</u>
Change in Net Position	260,472	722,597
Net Position, Beginning	<u>5,525,854</u>	<u>4,803,257</u>
Net Position, Ending	<u>\$ 5,786,326</u>	<u>\$ 5,525,854</u>

- Charges for services increase by \$59,071 (8.27%) during the year. The increase is due to increased collections from a revised fee structure and the outsourcing of the ambulance billing to a third party.
- Total expenses increased by \$543,199 (8.50%). The increase was primarily due to inflationary cost increases for salaries and benefits.
- During the year \$79,582 was transferred to the General Fund, \$579,382 was transferred out of the Ambulance Fund, \$65,000 was transferred to the Insurance Fund, \$247,400 was transferred to the Capital Projects Fund, and \$187,400 was transferred to the Debt Service Fund. These monies will help offset future liabilities and provide for vehicle and equipment.

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2018**

Financial Analysis of the District's Funds

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

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As of the end of the current fiscal year, the District's governmental funds report a combined ending fund balance of \$4,155,397, an increase of \$207,859 or 5 percent due to increased taxes and charges for services.

General Fund Budgetary Highlights

During the year, there were no budget amendments.

As a major fund, the General Fund accounts for the fire operations of the District.

Revenues in the general fund were \$3,337,270 or \$44,205 (1.3 percent) under budget. Property taxes attributed to most of the revenue variance for which collections were less than expected. The General Fund expenditures were \$55,672 under budget mainly due to apparatus and equipment and administration expenditures which were less than expectations by \$53,845. The overall net budget variance in the General Fund was a favorable \$11,467.

The General Fund's deficiency of revenues and other financing sources over expenditures and other financing uses was \$262. The fund balance decreased to \$2,171,385 at the end of the fiscal year from \$2,171,647 the prior year due to a planned transfer to capital projects fund.

Capital Assets and Debt Service

The District's net capital assets, as of April 30, 2018 amounts to \$2,380,678. Capital assets include land, buildings and improvements, apparatus and vehicles, and equipment. Net capital assets decreased by \$110,943 during the fiscal year due to depreciation of \$152,469.

Debt Administration

As of April 30, 2018, the District has future long-term debt principal and interest payments outstanding of \$807,837. The fund balance of the Debt Service Fund at the end of the 2018 fiscal year amounted to \$149,481. Please refer to Note 4 on pages 27 and 28.

Economic Factors

The District's primary revenue sources are property taxes, representing approximately 88 percent of total revenue in the year ended April 30, 2018. The Property Tax Extension Limitation Law allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction, and any voter-approved rate increases.

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2018**

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Chief
Palos Fire Protection District
8815 West 123rd Street
Palos Park, Illinois 60464

Palos Fire Protection District
Statement of Net Position - Modified Cash Basis
April 30, 2018

	Governmental Activities
ASSETS	
Cash	\$ 4,155,397
Capital Assets	
Capital Assets Not Being Depreciated	160,000
Other Capital Assets, Net of Depreciation	2,220,678
Total Capital Assets	2,380,678
TOTAL ASSETS	6,536,075
TOTAL DEFERRED OUTFLOWS	0
LIABILITIES	
Due Within One Year	
Capital Leases Payable	157,947
Note Payable	10,000
Due in More Than One Year	
Capital Leases Payable	501,802
Note Payable	80,000
TOTAL LIABILITIES	749,749
TOTAL DEFERRED INFLOWS	0
NET POSITION	
Net Investment in Capital Assets	2,009,383
Restricted Amounts	
Tort Liability	687,110
Emergency and Rescue	267,723
Ambulance	1,162,840
Insurance	271,048
Audit	22,189
Debt Service	149,481
Unrestricted Amounts	1,216,552
TOTAL NET POSITION	\$ 5,786,326

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Statement of Activities - Modified Cash Basis
For The Year Ended April 30, 2018

		Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Change in Net Position
	Expenses			Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental Activities				
Public Safety	\$ 6,906,684	\$ 773,175	\$ 21,000	\$ (6,112,509)
Interest on Long-Term Debt	23,358	0	0	(23,358)
TOTAL	<u>\$ 6,930,042</u>	<u>\$ 773,175</u>	<u>\$ 21,000</u>	(6,135,867)
GENERAL REVENUES				
Taxes				
Property taxes levied for general purposes				6,307,908
Replacement taxes for general purposes				23,121
Intergovernmental				18,522
Interest Income				8,231
Miscellaneous				<u>38,557</u>
TOTAL GENERAL REVENUES				<u>6,396,339</u>
CHANGE IN NET POSITION				260,472
NET POSITION, BEGINNING OF YEAR				<u>5,525,854</u>
END OF YEAR				<u>\$ 5,786,326</u>

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
- Governmental Funds
April 30, 2018

	General	Ambulance	Fire Pension	Insurance	Audit	Debt Service	Capital	Total
ASSETS								
Cash	\$ 2,171,385	\$ 1,162,840	\$ 0	\$ 271,048	\$ 22,189	\$ 149,481	\$ 378,454	\$ 4,155,397
TOTAL ASSETS	<u>2,171,385</u>	<u>1,162,840</u>	<u>0</u>	<u>271,048</u>	<u>22,189</u>	<u>149,481</u>	<u>378,454</u>	<u>4,155,397</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>2,171,385</u>	<u>1,162,840</u>	<u>0</u>	<u>271,048</u>	<u>22,189</u>	<u>149,481</u>	<u>378,454</u>	<u>4,155,397</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEFERRED INFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES								
Fund Balances								
Restricted	954,833	1,162,840	0	271,048	22,189	149,481	0	2,560,391
Assigned	0	0	0	0	0	0	378,454	378,454
Unassigned	1,216,552	0	0	0	0	0	0	1,216,552
TOTAL FUND BALANCES	<u>2,171,385</u>	<u>1,162,840</u>	<u>0</u>	<u>271,048</u>	<u>22,189</u>	<u>149,481</u>	<u>378,454</u>	<u>4,155,397</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 2,171,385</u>	<u>\$ 1,162,840</u>	<u>\$ 0</u>	<u>\$ 271,048</u>	<u>\$ 22,189</u>	<u>\$ 149,481</u>	<u>\$ 378,454</u>	<u>\$ 4,155,397</u>

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Reconciliation of the Statement of Assets, Liabilities, and Fund Balances
- Modified Cash Basis - Governmental Funds to the Statement of Net
Position - Modified Cash Basis
For The Year Ended April 30, 2018

Fund Balance of Governmental Funds:	
(Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis)	\$ 4,155,397
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	2,380,678
Capital leases payable are not reported as liabilities in the fund financial statements	(659,749)
Note payable is not reported as a liability in the fund financial statements	<u>(90,000)</u>
Net Position of Governmental Funds:	
(Statement of Net Position - Modified Cash Basis)	<u>\$ 5,786,326</u>

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Statement of Revenues Received, Expenditures Disbursed, and Changes
in Fund Balances - Governmental Funds
For The Year Ended April 30, 2018

	General	Ambulance	Fire Pension	Insurance	Audit	Debt Service	Capital	Total
REVENUES								
Property Taxes	\$ 3,245,444	\$ 2,088,497	\$ 957,509	\$ 0	\$ 16,458	\$ 0	\$ 0	\$ 6,307,908
Replacement Taxes	23,121	0	0	0	0	0	0	23,121
Intergovernmental	18,522	0	0	0	0	0	0	18,522
Interest Earned	8,231	0	0	0	0	0	0	8,231
Charges for Services	25,020	748,155	0	0	0	0	0	773,175
Grants	793	793	0	0	0	0	19,414	21,000
Miscellaneous	16,139	936	0	0	0	0	21,482	38,557
TOTAL REVENUES	3,337,270	2,838,381	957,509	0	16,458	0	40,896	7,190,514
EXPENDITURES								
Fire and Ambulance	3,417,114	2,273,420	0	0	0	0	0	5,690,534
Fire Pension	0	0	957,509	0	0	0	0	957,509
Insurance	0	0	0	79,725	0	0	0	79,725
Audit	0	0	0	0	23,748	0	0	23,748
Debt Service Bond Principal	0	0	0	0	0	163,557	0	163,557
Debt Service Bond Interest	0	0	0	0	0	23,358	0	23,358
Capital Outlay	0	0	0	0	0	0	44,224	44,224
TOTAL EXPENDITURES	3,417,114	2,273,420	957,509	79,725	23,748	186,915	44,224	6,982,655
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES								
	(79,844)	564,961	0	(79,725)	(7,290)	(186,915)	(3,328)	207,859
TRANSFERS (NET)	79,582	(579,382)	0	65,000	0	187,400	247,400	0
NET CHANGE IN FUND BALANCE								
	(262)	(14,421)	0	(14,725)	(7,290)	485	244,072	207,859
FUND BALANCES, BEGINNING OF YEAR								
	2,171,647	1,177,261	0	285,773	29,479	148,996	134,382	3,947,538
END OF YEAR	\$ 2,171,385	\$ 1,162,840	\$ 0	\$ 271,048	\$ 22,189	\$ 149,481	\$ 378,454	\$ 4,155,397

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Reconciliation of the Statement of Revenues Received, Expenditures
Disbursed, and Changes in Fund Balances - Governmental Funds to the
Statement of Activities - Modified Cash Basis
For The Year Ended April 30, 2018

Net Change in Fund Balances - Total Governmental Funds (Combined Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Governmental Funds)	\$ 207,859
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements.	(152,469)
Payments for the purchases of capital assets are treated as an expenditure in the fund financial statements.	41,526
Payments of capital lease principal are treated as an expenditure in the fund financial statements.	153,556
Payments of notes payable principal are treated as an expenditure in the fund financial statements.	<u>10,000</u>
Change in Net Assets of Governmental Activities (Statement of Activities - Modified Cash Basis)	<u><u>\$ 260,472</u></u>

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Fiduciary Fund
Statement of Fiduciary Net Position - Modified Cash Basis
April 30, 2018

	<u>Firefighters' Pension Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,723,533
Investments, at Fair Value	
U.S. Treasuries	1,596,092
U.S. Government and Agency Obligations	941,010
Corporate Obligations	2,982,852
Insurance Contracts	801,799
Equity Mutual Funds	983,659
Corporate Stocks	8,584,969
Total Investments	<u>15,890,381</u>
Receivables	
Accrued Interest	37,025
Prepays	<u>7,158</u>
Total Receivables	<u>44,183</u>
TOTAL ASSETS	<u>17,658,097</u>
LIABILITIES	
Accounts Payable	<u>17,487</u>
TOTAL LIABILITIES	<u>17,487</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 17,640,610</u></u>

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Fiduciary Fund
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
For The Year Ended April 30, 2018

	<u>Firefighters' Pension Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 957,509
Plan Members	284,815
Total Contributions	<u>1,242,324</u>
Investment Income	
Investment Earnings	296,532
Net Change in Fair Value	499,838
Total Investment Income	<u>796,370</u>
Less: Investment Expenses	<u>(74,974)</u>
Net Investment Income	<u>721,396</u>
TOTAL ADDITIONS	<u>1,963,720</u>
DEDUCTIONS	
Administration	56,286
Benefits	<u>474,930</u>
TOTAL DEDUCTIONS	<u>531,216</u>
NET CHANGE IN NET POSITION	1,432,504
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	<u>16,208,106</u>
END OF YEAR	<u><u>\$ 17,640,610</u></u>

Palos Fire Protection District
Notes To The Financial Statements
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Palos Fire Protection District (the District) was established in 1956 and is located in Palos Park, Illinois. The District operates under a Board-Manager form of government encompassing areas in Cook County. The mission of the District is to provide the citizenry of the District with professional fire protection, fire suppression, and emergency medical services.

A. Reporting Entity

The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The District has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the District is not required to be included as a component unit of any other entity.

Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity," is an amendment of GASB Statements No. 14 and No. 39, which does not have impact on the current year financial statements.

B. GASB Pronouncements

As of May 1, 2012, the District has implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position.

As of May 1, 2012, the District has implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GASB Pronouncements (Continued)

As of May 1, 2015, the District has implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under the implementation of GASB 68, the District has also implemented GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date" – an amendment to GASB Statement No. 68.

C. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all non-fiduciary activities of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for good and services. The District does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows, liabilities and deferred inflows, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental funds are at least ten percent of the corresponding total for all funds of that category or type, and
- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Governmental Fund Types (Governmental Activities)

Governmental fund types are those through which most governmental functions of the District are financed. The District's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the District's governmental fund follows:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required, legally or administratively, to be accounted for in another fund. The General Fund is composed of three subfunds: the Corporate Fund, Tort Liability Fund, and Emergency and Rescue Fund.

Ambulance Fund

The Ambulance Fund is used to account for the real estate taxes, ambulance service fees, and other revenues that are restricted, committed, or assigned to the providing of ambulance services.

Fire Pension

The Fire Pension Fund is used to account for the real estate taxes that are restricted, committed, or assigned to the Firefighters' Pension Fund.

Insurance Fund

The Insurance Fund is used to account for the proceeds of special revenue sources that are restricted, committed, or assigned to expenditure of insurance.

Audit Fund

The Audit Fund is used to account for the proceeds of special revenue sources that are restricted, committed, or assigned to expenditure for audit services.

Debt Service

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Fund Types (Governmental Activities) (Continued)

Capital Fund

The Capital Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Fiduciary funds are not reflected in the governmental-wide financial statements because the resources are not available to support the District's own programs. A brief explanation of the District's fiduciary fund follows:

Firefighters' Pension Fund (Not included in the government-wide statements)

The Firefighters' Pension Fund is used to account for assets held in a trustee capacity. The assets are not available to support District programs. The Firefighters' Pension Fund issues a publically available financial report that includes financial statements and required supplementary information. A report including the Firefighters' Pension Fund can be obtained by contacting the Palos Fire Protection District at 8815 West 123rd Street, Palos Park, Illinois 60464.

MAJOR FUNDS

The District reports the following major governmental funds:

- General Fund, which accounts for the District's primary operating activities as related to its fire prevention services. The General Fund is composed of three subfunds: the Corporate Fund, Tort Liability Fund, and Emergency and Rescue Fund.
- Ambulance Fund, which accounts for the District's primary operating activities as related to its ambulance services.
- Fire Pension Fund, which accounts for the District's pass-through Firefighters' Pension expenditures.
- Insurance Fund, which accounts for the District's expenditures relating to insurance.
- Audit Fund, which accounts for the District's expenditures relating to audit services.
- Debt Service, which accounts for the District's expenditures relating to debt principal and interest.
- Capital Fund, which accounts for the District's capital purchases and improvements.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

Governmental Funds – Modified Cash Basis

Basis of accounting refers to when revenues and expenditures (or expenses) and the related asset and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting also refers to the timing of the measurements made, regardless of the measurement focus applied. The government-wide Statement of Net Position and the Statement of Activities were both prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The fund financial statements were prepared on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when collected and expenditures are recognized when paid. Furthermore, only assets, liabilities, and fund balances arising from cash transactions are recognized.

Accordingly, recognition of receivables, payables, and other accrued or deferred items is not applicable. The difference between the modified cash basis of accounting and the cash basis of accounting is that the former includes capital assets and debt commitments, which the latter does not. Accrued liabilities presented on the Statement of Net Position correspond with payroll and credit card liabilities which are recognized under the modified cash basis of accounting.

Standards established by Generally Accepted Auditing Standards (GAAS) require GAAP for governmental units. Conformance with GAAP would require the financial statements to be prepared on the accrual or modified accrual basis of accounting. Accordingly, these financial statements are not intended to present the financial position and results of operations in conformity with GAAP.

E. Measurement Focus

On the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, which means all assets, deferred outflows, liabilities (whether current or non-current), and deferred inflows are included on the Statement of Net Position and the operating statements present increases and decreases in net position.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are included as liabilities in the government-wide financial statements, but are excluded from the governmental funds financial statements. Compensated absences are reported in the fund financial statements only if they have matured (i.e. unusable reimbursable leave still outstanding following an employee's resignation or retirement). The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. The District follows these procedures in establishing a budget:

1. The Fire Chief prepares a tentative budget for all funds of the District.
2. The budget document is submitted to the Board of Trustees for review.
3. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal year (July 31).
4. All unspent budgetary amounts lapse at year-end.
5. Expenditures legally may not exceed the total appropriations at the fund level. No amendments to the budget at this level are allowed without Board approval. Expenditures may not legally exceed appropriations at the fund level.
6. Notice is given and public meetings are conducted to obtain taxpayer comments.

The budget is prepared for all funds on the same basis as the basic financial statements. The budget is prepared in accordance with the Illinois Fire District Code and is derived from the combined annual budget and appropriation ordinance of the District. All budgets are prepared based on the annual fiscal year of the District. All budgetary funds are controlled by an integrated budgetary accounting system in accordance with the various legal requirements which govern the District. The operating budget does not exceed the appropriations for the year.

H. Budget Basis of Accounting

Budgetary information for individual funds is prepared on the same basis as the general purpose financial statements. The budget is prepared in accordance with the Illinois Fire District Code and is derived from the combined annual budget and appropriation ordinance of the District. Working budgets are prepared for all governmental fund types and prepared based on the annual fiscal year of the District. Budgetary funds are controlled by an integrated budgetary accounting system in accordance, where applicable, with various legal requirements governing the District.

I. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Interfund Receivables and Payables

Amounts due to and due from other funds may arise during the course of the District's operations because of numerous transactions between funds to finance operations, provide services, construct assets, and service debt. Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements. There were no interfund balances at April 30, 2018.

K. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated. The District policy is to capitalize assets that have an original cost of \$20,000 or greater.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Building and Improvements	50 years
Apparatus and Vehicles	10 to 20 years
Equipment	10 to 40 years

FUND FINANCIAL STATEMENTS

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made.

The costs of normal maintenance and repairs that do not add value to the value of the asset or materially extend asset lives are not included as capital assets or capitalized in the governmental funds.

L. Long-Term Liabilities

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized when paid.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied each year and are payable in two installments, generally due in June and September of the following year. Cook County bills and collects all property taxes and remits them to the District. The District has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the District. Also, the District is subject to the Property Tax Extension Limitation Act, which, in general, limits the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

N. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Equity is classified as Net Position and displayed in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.
- Restricted – consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed – consists of resources constrained (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned – amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Trustees itself or (b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specified purpose.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity Classifications (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

- Unassigned – consists of the residual net resources of a fund that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

The District's flow of funds assumption 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. If different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

Fund	General	Ambulance	Fire Pension	Insurance	Audit	Debt Service	Capital	Total
Restricted								
Tort Liability	\$ 687,110	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 687,110
Emergency and Rescue	267,723	0	0	0	0	0	0	267,723
Ambulance	0	1,162,840	0	0	0	0	0	1,162,840
Insurance	0	0	0	271,048	0	0	0	271,048
Audit	0	0	0	0	22,189	0	0	22,189
Debt Service	0	0	0	0	0	149,481	0	149,481
Assigned	0	0	0	0	0	0	378,454	378,454
Unassigned	1,216,552	0	0	0	0	0	0	1,216,552
	<u>\$ 2,171,385</u>	<u>\$ 1,162,840</u>	<u>\$ 0</u>	<u>\$ 271,048</u>	<u>\$ 22,189</u>	<u>\$ 149,481</u>	<u>\$ 378,454</u>	<u>\$ 4,155,397</u>

O. Transfers

During the normal course of District operations, transfers between funds arise to reimburse individual funds for expenditures/expenses incurred for the benefit of other funds. Typical expenses in the category are general administrative and maintenance expenses. Transfers during the year ended April 30, 2018 are as follows:

Fund	Transfers In	Transfers Out
General	\$ 159,582	\$ 80,000
Ambulance	0	579,382
Insurance	65,000	0
Debt Service	187,400	0
Capital	247,400	0
	<u>\$ 659,382</u>	<u>\$ 659,382</u>

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Bank Deposits and Investments

At April 30, 2018, the carrying amount of the District's deposits was \$4,155,397 and the bank balance was \$4,272,412. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Policies for Investments

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 objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield.

C. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At April 30, 2018, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The District's investment policy requires pledging of collateral of all balances in excess of federal depository insurance.

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the year follows. Total depreciation expense for the year charged for governmental activities was \$152,469.

	Balance at May 1, 2017	Additions	Retirements	Balance at April 30, 2018
Governmental Activities				
Capital Assets, Not Subject to Depreciation				
Land	\$ 160,000	\$ 0	\$ 0	\$ 160,000
	<u>160,000</u>	<u>0</u>	<u>0</u>	<u>160,000</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	1,509,970	0	0	1,509,970
Apparatus and Vehicles	2,660,099	0	(203,000)	2,457,099
Equipment	398,452	41,526	0	439,978
	<u>4,568,521</u>	<u>41,526</u>	<u>(203,000)</u>	<u>4,407,047</u>
Less Accumulated Depreciation				
Buildings and Improvements	(791,342)	(29,399)	0	(820,741)
Apparatus and Vehicles	(1,309,204)	(94,251)	203,000	(1,200,455)
Equipment	(136,354)	(28,819)	0	(165,173)
	<u>(2,236,900)</u>	<u>(152,469)</u>	<u>203,000</u>	<u>(2,186,369)</u>
Net Capital Assets - Governmental Activities	<u>\$ 2,491,621</u>	<u>\$ (110,943)</u>	<u>\$ 0</u>	<u>\$ 2,380,678</u>

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 4 – DEBT COMMITMENTS

A summary of changes in long-term debt for the year ended April 30, 2018 is as follows:

Type	Balance at May 1, 2017	Advances	Repayments	Balance at April 30, 2018	Amount Due Within One Year
Capital Leases Payable					
\$781,066 - Fire Engine	\$ 569,634	\$ 0	\$ (74,588)	\$ 495,046	\$ 76,745
\$395,146 - Fire Engine	243,671	0	(78,968)	164,703	81,202
	<u>\$ 813,305</u>	<u>\$ 0</u>	<u>\$ (153,556)</u>	<u>\$ 659,749</u>	<u>\$ 157,947</u>
Note Payable					
\$100,000 - Ambulance	\$ 100,000	\$ 0	\$ (10,000)	\$ 90,000	\$ 10,000

Debt commitments at April 30, 2018 are comprised of the following:

On June 3, 2013, the District entered into a capital lease agreement with Oshkosh Capital in the amount of \$781,066 for the purchase of a fire engine. The agreement is due in annual installments of \$91,051 at an interest rate of 2.88%. The asset's accumulated depreciation is \$165,975.

On October 10, 2014, the District entered into a capital lease agreement with Oshkosh Capital in the amount of \$395,146 for the purchase of a fire engine. The agreement is due in annual installments of \$85,864 at an interest rate of 2.83%. The asset's accumulated depreciation is \$70,796.

On July 11, 2016, the District entered into a note payable with Illinois State Fire Marshal in the amount of \$100,000 for the purchase of an ambulance. The agreement is due in annual installments of \$10,000 and interest-free.

Future payments of long-term debt at April 30, 2018 consist of the following:

Fiscal Year	Capital Leases Payable		Note Payable	
	Principal	Interest	Principal	Interest
2019	\$ 157,947	\$ 18,968	\$ 10,000	\$ 0
2020	162,463	14,452	10,000	0
2021	81,245	9,609	10,000	0
2022	83,592	7,459	10,000	0
2023	86,008	5,043	10,000	0
2024 - 2027	88,494	2,557	40,000	0
	<u>\$ 659,749</u>	<u>\$ 58,088</u>	<u>\$ 90,000</u>	<u>\$ 0</u>

NOTE 5 – DEFICIT FUND BALANCES

At April 30, 2018, none of the funds of the District had a deficit fund balance.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 6 – EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

For the year ended April 30, 2018, the following funds had actual expenditures that exceed budgeted and/or appropriated expenditures.

<u>Fund</u>	<u>Actual Expenditures</u>	<u>Budgeted Expenditures</u>	<u>Appropriations</u>
Fire Pension	\$ 957,509	\$ 950,666	\$ 945,699
Insurance	79,725	58,000	60,900

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; net income losses, and natural disasters. The District has purchased commercial insurance from private insurance companies to cover these risks. Risks covered include general liability, workers' compensation, medical, and other.

NOTE 8 – RETIREE HEALTH INSURANCE PLAN

Plan Description. The Retiree Health Insurance Plan (RHIP) is a single-employer defined benefit healthcare plan administered by the District. Employees who retire under the Firefighters' Pension Plan and their spouses and dependents are entitled to participate in the health insurance plan provided for active employees. Such coverage is provided for retired employees and their spouse and dependents until they reach age 65. Retired employees are required to pay 100% of the premiums for such coverage. Employees can use accumulated sick time earned from the District to pay health insurance costs. The District does not issue a stand-alone report for RHIP.

Funding Policy. The contribution requirements of the plan members are established by the District. The required contribution is based on projected pay-as-you-go financing in the form of insurance premiums paid to the insurance company. The District does not provide any additional amount to prefund benefits nor does the plan have an actuarial valuation.

NOTE 9 – FIREFIGHTERS' PENSION FUND

The Fire Pension Plan is a single-employer defined benefit pension plan that covers all sworn fire personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The District accounts for the Fund as a pension trust fund. The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the District's Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

At April 30, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members of Beneficiaries Currently Receiving Benefits	6
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	29
Total	37
Payroll of Active Plan Members	\$ 3,108,687

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 9 – FIREFIGHTERS' PENSION FUND (CONTINUED)

The Fire Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a fire officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the fire officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Fire officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 fire officer shall be increased annually at age 60 on the January 1st after the fire officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Fire 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 contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the District to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2018, the District's contribution was 30.80% of covered payroll.

Investment Policy

The Firefighters' Pension Plan's investment policy authorizes the Plan 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, "investment grade" corporate 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.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 9 – FIREFIGHTERS' PENSION FUND (CONTINUED)

Investment Policy (Continued)

The Plan's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance. Additionally, the Plan will not invest in any institution in which the Plan's investments are in excess of 75% of the institution's capital stock and surplus.

It is the policy of the Plan 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 Plan 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.

It is the policy of the Firefighters' Pension Fund to adhere to the following investment allocations:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	40%	1.88-12.30%
Domestic Equities	52%	6.98-10.20%
International Equities	4%	7.6%
Cash and Cash Equivalents	4%	1.7%

Illinois Compiled Statutes (ILCS) limit 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 blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 the Firefighters' Pension Fund's investment policy, the Firefighters' Pension Fund will remain sufficiently liquid to enable the Firefighters' Pension Fund to meet all operating requirements which might be reasonably anticipated.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 9 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

Interest Rate Risk (Continued)

The following table categorizes the investments held by the Firefighters’ Pension Fund according to risk level.

Category	Fair Value	< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
U.S. Treasuries	\$ 1,596,092	\$ 0	\$ 998,393	\$ 597,699	\$ 0
U.S. Agencies	941,010	0	456,591	484,292	127
Corporate Bonds	2,982,852	108,900	1,383,471	1,490,481	0
	<u>\$ 5,519,954</u>	<u>\$ 108,900</u>	<u>\$ 2,838,455</u>	<u>\$ 2,572,472</u>	<u>\$ 127</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. Agencies and Corporate Bonds were all rated AAA to BBB by Standard & Poor’s or by Moody’s Investors Services. Besides investing in securities issued by agencies of the United States Government, the Pension Fund has no other formal policy for reducing credit risk.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund’s deposits may not be returned to it. At April 30, 2018, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund’s investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. At April 30, 2018, the U.S. Government Agencies and the State and Local obligations are held by the counterparty in the trust department. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 9 – FIREFIGHTERS' PENSION FUND (CONTINUED)

Schedule of Total Pension Liability

	2018
Total Pension Liability - Ending (a)	<u>\$ 25,283,144</u>
Plan Fiduciary Net Position - Ending (b)	<u>17,640,610</u>
Employer Net Pension Liability - Ending (a) - (b)	<u>7,642,534</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.77%

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at May 1, 2017	\$ 24,789,911	\$ 16,208,106	\$ 8,581,805
Changes for the year:			
Service Cost	1,016,658	0	1,016,658
Interest	1,451,050	0	1,451,050
Actuarial Experience	(46,034)	0	(46,034)
Assumption Changes	(1,453,511)	0	(1,453,511)
Plan Changes	0	0	0
Contributions - Employer	0	957,509	(957,509)
Contributions - Employee	0	284,815	(284,815)
Contributions - Other	0	0	0
Net Investment Income	0	721,396	(721,396)
Benefit Payments, Including Refunds	(474,930)	(474,930)	0
Administrative Expenses	0	(56,286)	56,286
Net Changes	<u>493,233</u>	<u>1,432,504</u>	<u>(939,271)</u>
Balances at April 30, 2018	<u>\$ 25,283,144</u>	<u>\$ 17,640,610</u>	<u>\$ 7,642,534</u>

Changes in assumptions related to mortality table, retirement rates, disability rates, and termination rates may occur after the prior measurement date.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 9 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	6.25%
Long-Term Expected Rate of Return on Plan Assets	6.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.97%
Projected Individual Salary Increases	4.00% - 13.13%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.25% and the prior valuation rate was 5.91%. 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 District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate as well as what the District’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease in Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase in Rate (7.25%)
Employer Net Pension Liability	\$ 12,278,605	\$ 7,642,534	\$ 3,974,054

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2018

NOTE 9 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

Deferred Outflows and Inflows of Resources

For the year ended April 30, 2018, the District recognized pension expense of \$1,158,150. At April 30, 2018, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
1. Differences Between Expected and Actual Experience	\$ 681,482	\$ (42,194)	\$ 639,288
2. Changes of Assumptions	0	(3,242,758)	(3,242,758)
3. Net Difference Between Projected and Actual Earnings on Pension Plan Investments	590,023	(91,371)	498,652
4. Total	<u>\$ 1,271,505</u>	<u>\$ (3,376,323)</u>	<u>\$ (2,104,818)</u>

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

For the Year Ended April 30, 2019	\$ (45,800)
2020	(45,801)
2021	(215,779)
2022	(185,324)
2023	(248,089)
Thereafter	(1,364,025)
	<u>\$ (2,104,818)</u>

NOTE 10 – SUBSEQUENT EVENTS

The date to which events occurring after April 30, 2018, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is November 6, 2018, the date the financial statements were available to be issued.

**Palos Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures
For The Year Ended April 30, 2018**

Multiyear Schedule of Employer Contributions

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	\$ 893,569	\$ 957,509	\$ 63,940	\$ 3,108,687	30.8%
2017	709,287	907,870	198,583	3,010,835	30.2%
2016	735,575	832,890	97,315	2,606,495	32.0%
2015	650,591	941,277	290,686	2,813,718	33.5%
2014	715,153	1,200,122	484,969	2,729,127	44.0%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	6.25%
Long-Term Expected Rate of Return on Plan Assets	6.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.97%
Projected Individual Salary Increases	4.00% - 13.13%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at Age 65
Disability Rates	L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80.00%

Other Information

Palos Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures (Continued)
For The Year Ended April 30, 2018

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Pension Employer Retirement System

Plan Year Ending April 30,	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 1,016,658	\$ 959,926	\$ 909,146	
Interest	1,451,050	1,423,900	1,219,700	
Change of Benefit Terms	0	0	0	
Differences Between Expected and Actual Experience	(46,034)	817,916	0	
Change in Assumptions	(1,453,511)	(2,292,952)	0	
Benefit Payments and Refunds	(474,930)	(423,877)	(489,593)	
Net Change in Total Pension Liability	493,233	484,913	1,639,253	
Total Pension Liability - Beginning	24,789,911	24,304,998	22,665,745	
Total Pension Liability - Ending (a)	<u>\$ 25,283,144</u>	<u>\$ 24,789,911</u>	<u>\$ 24,304,998</u>	<u>\$ 22,665,745</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 957,509	\$ 907,870	\$ 832,890	\$ 941,277
Contributions - Member	284,815	268,322	268,033	287,814
Net Investment Income	721,396	1,095,545	32,750	399,972
Benefit Payments and Refunds	(474,930)	(423,877)	(489,593)	(268,148)
Administrative Expense	(56,286)	(25,720)	(6,875)	(9,587)
Prior Period Audit Adjustment	0	(342,899)	271,582	0
Net Change in Plan Fiduciary Net Position	1,432,504	1,479,241	908,787	1,351,328
Plan Fiduciary Net Position - Beginning	16,208,106	14,728,865	13,820,078	12,468,750
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,640,610</u>	<u>\$ 16,208,106</u>	<u>\$ 14,728,865</u>	<u>\$ 13,820,078</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 7,642,534</u>	<u>\$ 8,581,805</u>	<u>\$ 9,576,133</u>	<u>\$ 8,845,667</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	69.77%	65.38%	60.60%	60.97%
Covered Valuation Payroll	\$ 3,108,687	\$ 3,010,835	\$ 2,606,495	\$ 2,813,718
Net Pension Liability as a Percentage of Covered Valuation Payroll	245.84%	285.03%	367.40%	314.38%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

Palos Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures (Continued)
For The Year Ended April 30, 2018

Multiyear Schedule of Investment Returns
 Firefighters' Pension Employer Retirement System

	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.51%	(a)	(a)	(a)

(a) - Information is not readily available.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

Palos Fire Protection District
General Fund
Combining Statement of Assets, Liabilities, and Fund Balances - Modified Cash
Basis - Governmental Funds
April 30, 2018

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency and Rescue</u>	<u>Total General Fund</u>
ASSETS				
Cash	\$ 1,216,552	\$ 687,110	\$ 267,723	\$ 2,171,385
TOTAL ASSETS	<u>1,216,552</u>	<u>687,110</u>	<u>267,723</u>	<u>2,171,385</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND AND DEFERRED OUTFLOWS	<u>1,216,552</u>	<u>687,110</u>	<u>267,723</u>	<u>2,171,385</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEFERRED INFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES				
Fund Balances				
Restricted	0	687,110	267,723	954,833
Unassigned	1,216,552	0	0	1,216,552
TOTAL FUND BALANCES	<u>1,216,552</u>	<u>687,110</u>	<u>267,723</u>	<u>2,171,385</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 1,216,552</u>	<u>\$ 687,110</u>	<u>\$ 267,723</u>	<u>\$ 2,171,385</u>

Other Information

Palos Fire Protection District
General Fund
Combining Schedule of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balances - Governmental Funds
For The Year Ended April 30, 2018

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency and Rescue</u>	<u>Total General Fund</u>
REVENUES				
Property Taxes	\$ 1,972,685	\$ 642,645	\$ 488,566	\$ 3,103,896
Property Taxes - Social Security	115,812	0	25,736	141,548
Replacement Taxes	23,121	0	0	23,121
Intergovernmental	18,522	0	0	18,522
Interest Earned	8,231	0	0	8,231
Charges for Services	25,020	0	0	25,020
Grants	793	0	0	793
Miscellaneous	16,139	0	0	16,139
TOTAL REVENUES	<u>2,180,323</u>	<u>642,645</u>	<u>514,302</u>	<u>3,337,270</u>
EXPENDITURES				
Personnel	1,966,043	0	490,400	2,456,443
Station Expenditures	66,907	0	0	66,907
Apparatus and Equipment	113,942	0	0	113,942
Emergency Communication	53,233	0	0	53,233
Administration	66,799	0	0	66,799
Tort Liability	0	659,790	0	659,790
TOTAL EXPENDITURES	<u>2,266,924</u>	<u>659,790</u>	<u>490,400</u>	<u>3,417,114</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	<u>(86,601)</u>	<u>(17,145)</u>	<u>23,902</u>	<u>(79,844)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	159,582	0	0	159,582
Transfers Out	(80,000)	0	0	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>79,582</u>	<u>0</u>	<u>0</u>	<u>79,582</u>
NET CHANGE IN FUND BALANCE	<u>(7,019)</u>	<u>(17,145)</u>	<u>23,902</u>	<u>(262)</u>
FUND BALANCE, BEGINNING OF YEAR,	<u>1,223,571</u>	<u>704,255</u>	<u>243,821</u>	<u>2,171,647</u>
END OF YEAR	<u>\$ 1,216,552</u>	<u>\$ 687,110</u>	<u>\$ 267,723</u>	<u>\$ 2,171,385</u>

Other Information

**Palos Fire Protection District
Corporate Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2018**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 1,989,000	\$ 1,989,000	\$ 1,972,685	\$ (16,315)
Property Taxes - Social Security	116,100	116,100	115,812	(288)
Replacement Taxes	15,000	15,000	23,121	8,121
Intergovernmental	16,000	16,000	18,522	2,522
Interest Earned	3,075	3,075	8,231	5,156
Charges for Services	0	0	25,020	25,020
Grants	0	0	793	793
Miscellaneous	12,500	12,500	16,139	3,639
TOTAL REVENUES	<u>2,151,675</u>	<u>2,151,675</u>	<u>2,180,323</u>	<u>28,648</u>
EXPENDITURES				
Personnel	1,965,996	1,965,996	1,966,043	(47)
Station Expenditures	68,600	68,600	66,907	1,693
Apparatus and Equipment	142,211	142,211	113,942	28,269
Emergency Communication	50,000	50,000	53,233	(3,233)
Administration	92,375	92,375	66,799	25,576
General	1,000	1,000	0	1,000
TOTAL EXPENDITURES	<u>2,320,182</u>	<u>2,320,182</u>	<u>2,266,924</u>	<u>53,258</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	<u>(168,507)</u>	<u>(168,507)</u>	<u>(86,601)</u>	<u>81,906</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	159,582	159,582	159,582	0
Transfers Out	0	0	(80,000)	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>159,582</u>	<u>159,582</u>	<u>79,582</u>	<u>(80,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (8,925)</u>	<u>\$ (8,925)</u>	<u>(7,019)</u>	<u>\$ 1,906</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,223,571</u>	
END OF YEAR			<u>\$ 1,216,552</u>	

Other Information

Palos Fire Protection District
Tort Liability Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 710,000	\$ 710,000	\$ 642,645	\$ (67,355)
TOTAL REVENUES	<u>710,000</u>	<u>710,000</u>	<u>642,645</u>	<u>(67,355)</u>
EXPENDITURES				
Tort Liability	662,204	662,204	659,790	2,414
TOTAL EXPENDITURES	<u>662,204</u>	<u>662,204</u>	<u>659,790</u>	<u>2,414</u>
NET CHANGE IN FUND BALANCE	<u>\$ 47,796</u>	<u>\$ 47,796</u>	(17,145)	<u>\$ (64,941)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>704,255</u>	
END OF YEAR			<u>\$ 687,110</u>	

Other Information

**Palos Fire Protection District
Emergency and Rescue Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2018**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 494,000	\$ 494,000	\$ 488,566	\$ (5,434)
Property Taxes - Social Security	25,800	25,800	25,736	(64)
TOTAL REVENUES	<u>519,800</u>	<u>519,800</u>	<u>514,302</u>	<u>(5,498)</u>
EXPENDITURES				
Personnel	490,400	490,400	490,400	0
TOTAL EXPENDITURES	<u>490,400</u>	<u>490,400</u>	<u>490,400</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 29,400</u>	<u>\$ 29,400</u>	23,902	<u>\$ (5,498)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>243,821</u>	
END OF YEAR			<u>\$ 267,723</u>	

Other Information

**Palos Fire Protection District
Ambulance Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2018**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 1,989,000	\$ 1,989,000	\$ 1,972,685	\$ (16,315)
Property Taxes - Social Security	116,100	116,100	115,812	(288)
Charges for Services	675,000	675,000	748,155	73,155
Grants	0	0	793	793
Miscellaneous	1,981	1,981	936	(1,045)
TOTAL REVENUES	<u>2,782,081</u>	<u>2,782,081</u>	<u>2,838,381</u>	<u>56,300</u>
EXPENDITURES				
Personnel	1,965,995	1,965,995	1,966,205	(210)
Station Expenditures	68,600	68,600	66,968	1,632
Apparatus and Equipment	136,711	136,711	121,670	15,041
Emergency Communication	50,000	50,000	53,233	(3,233)
Administration	92,375	92,375	65,344	27,031
General	1,000	1,000	0	1,000
TOTAL EXPENDITURES	<u>2,314,681</u>	<u>2,314,681</u>	<u>2,273,420</u>	<u>41,261</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>467,400</u>	<u>467,400</u>	<u>564,961</u>	<u>97,561</u>
OTHER FINANCING USES				
Transfers Out	(459,382)	(459,382)	(579,382)	(120,000)
TOTAL OTHER FINANCING USES	<u>(459,382)</u>	<u>(459,382)</u>	<u>(579,382)</u>	<u>(120,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 8,018</u>	<u>\$ 8,018</u>	<u>(14,421)</u>	<u>\$ (22,439)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,177,261</u>	
END OF YEAR			<u>\$ 1,162,840</u>	

Other Information

Palos Fire Protection District
Fire Pension Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Real Estate Taxes	\$ 950,666	\$ 950,666	\$ 957,509	\$ 6,843
TOTAL REVENUES	<u>950,666</u>	<u>950,666</u>	<u>957,509</u>	<u>6,843</u>
EXPENDITURES				
Pension	950,666	950,666	957,509	(6,843)
TOTAL EXPENDITURES	<u>950,666</u>	<u>950,666</u>	<u>957,509</u>	<u>(6,843)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
FUND BALANCE, BEGINNING OF YEAR			0	
END OF YEAR			<u>\$ 0</u>	

Other Information

Palos Fire Protection District
Insurance Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Retirement Insurance	58,000	58,000	79,725	(21,725)
TOTAL EXPENDITURES	58,000	58,000	79,725	(21,725)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(58,000)	(58,000)	(79,725)	(21,725)
OTHER FINANCING SOURCES				
Transfers In	65,000	65,000	65,000	0
TOTAL OTHER FINANCING SOURCES	65,000	65,000	65,000	0
NET CHANGE IN FUND BALANCE	\$ 7,000	\$ 7,000	(14,725)	\$ (21,725)
FUND BALANCE, BEGINNING OF YEAR			285,773	
END OF YEAR			\$ 271,048	

Other Information

Palos Fire Protection District
Audit Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 24,748	\$ 24,748	\$ 16,458	\$ (8,290)
TOTAL REVENUES	<u>24,748</u>	<u>24,748</u>	<u>16,458</u>	<u>(8,290)</u>
EXPENDITURES				
Financial Services	24,748	24,748	23,748	1,000
TOTAL EXPENDITURES	<u>24,748</u>	<u>24,748</u>	<u>23,748</u>	<u>1,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	(7,290)	<u>\$ (7,290)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>29,479</u>	
END OF YEAR			<u>\$ 22,189</u>	

Other Information

Palos Fire Protection District
Debt Service Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance
Budget and Actual
For The Year Ended April 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Principal	187,400	187,400	163,557	23,843
Interest	0	0	23,358	(23,358)
TOTAL EXPENDITURES	<u>187,400</u>	<u>187,400</u>	<u>186,915</u>	<u>485</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(187,400)</u>	<u>(187,400)</u>	<u>(186,915)</u>	<u>485</u>
OTHER FINANCING SOURCES				
Transfers In	187,400	187,400	187,400	0
TOTAL OTHER FINANCING SOURCES	<u>187,400</u>	<u>187,400</u>	<u>187,400</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	485	<u>\$ 485</u>
FUND BALANCE, BEGINNING OF YEAR			<u>148,996</u>	
END OF YEAR			<u>\$ 149,481</u>	

Other Information

Palos Fire Protection District
Capital Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance
Budget and Actual
For The Year Ended April 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Grants	\$ 22,000	\$ 22,000	\$ 19,414	\$ (2,586)
Miscellaneous	0	0	21,482	21,482
TOTAL REVENUES	<u>22,000</u>	<u>22,000</u>	<u>40,896</u>	<u>18,896</u>
EXPENDITURES				
Capital Outlay	149,400	149,400	44,224	105,176
TOTAL EXPENDITURES	<u>149,400</u>	<u>149,400</u>	<u>44,224</u>	<u>105,176</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(127,400)</u>	<u>(127,400)</u>	<u>(3,328)</u>	<u>124,072</u>
OTHER FINANCING SOURCES				
Transfers In	47,400	47,400	247,400	200,000
TOTAL OTHER FINANCING SOURCES	<u>47,400</u>	<u>47,400</u>	<u>247,400</u>	<u>200,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	<u>244,072</u>	<u>\$ 324,072</u>
FUND BALANCE, BEGINNING OF YEAR			<u>134,382</u>	
END OF YEAR			<u>\$ 378,454</u>	

Other Information

Palos Fire Protection District
Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections
Last 10 Years

Tax Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed										
Valuation	\$ 624,688,249	\$ 530,545,532	\$ 508,385,310	\$ 525,591,552	\$ 538,069,252	\$ 573,565,141	\$ 619,469,614	\$ 774,016,357	\$ 740,784,176	\$ 704,983,350
Tax Rates										
Corporate	0.3340	0.3740	0.3989	0.3944	0.3866	0.4000	0.2848	0.2190	0.2095	0.2287
Ambulance	0.3340	0.3740	0.3989	0.3944	0.3866	0.3000	0.2450	0.1662	0.1571	0.1584
Tort Liability	0.0970	0.1379	0.1263	0.1508	0.1308	0.1083	0.0461	0.0448	0.0502	0.0619
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Firefighters'										
Pension	0.1654	0.1807	0.1797	0.1677	0.1796	0.1694	0.0808	0.0661	0.0655	0.0482
Audit	0.0016	0.0047	0.0050	0.0048	0.0050	0.0050	0.0022	0.0021	0.0022	0.0023
Emergency										
and Rescue	0.0824	0.0934	0.1000	0.0503	0.0500	0.0500	0.0412	0.0499	0.0479	0.0000
Social Security	0.0428	0.0500	0.0456	0.0386	0.0153	0.0139	0.0082	0.0080	0.0112	0.0111
	<u>1.0572</u>	<u>1.2147</u>	<u>1.2544</u>	<u>1.2010</u>	<u>1.1529</u>	<u>1.0466</u>	<u>0.7083</u>	<u>0.5561</u>	<u>0.5436</u>	<u>0.5106</u>
Tax Extensions										
Corporate	2,086,458	1,984,240	2,027,980	2,072,933	2,074,916	2,294,261	1,764,249	1,694,850	1,552,158	1,612,599
Ambulance	2,086,458	1,984,240	2,027,980	2,072,933	2,074,916	1,720,695	1,517,700	1,286,167	1,164,119	1,116,921
Tort Liability	605,947	731,622	641,990	792,592	704,022	621,126	285,575	347,110	371,830	436,205
Debt Service	0	0	0	0	0	0	0	0	0	0
Firefighters'										
Pension	1,033,374	958,577	913,819	881,613	966,327	971,436	500,677	511,553	485,243	339,754
Audit	9,995	24,935	25,419	25,228	26,903	28,678	13,628	16,480	16,609	15,965
Emergency										
and Rescue	514,743	495,529	508,385	264,372	269,035	286,783	255,221	385,998	354,605	0
Social Security	267,366	265,272	231,750	202,878	82,156	79,763	50,796	61,800	83,047	78,280
	<u>\$ 6,604,341</u>	<u>\$ 6,444,415</u>	<u>\$ 6,377,323</u>	<u>\$ 6,312,549</u>	<u>\$ 6,198,275</u>	<u>\$ 6,002,742</u>	<u>\$ 4,387,846</u>	<u>\$ 4,303,958</u>	<u>\$ 4,027,611</u>	<u>\$ 3,599,724</u>
Tax Collections		<u>\$ 6,184,795</u>	<u>\$ 6,172,551</u>	<u>\$ 6,256,148</u>	<u>\$ 5,609,940</u>	<u>\$ 5,844,896</u>	<u>\$ 4,381,180</u>	<u>\$ 4,019,543</u>	<u>\$ 3,951,740</u>	<u>\$ 3,523,121</u>
Percentage										
Collected		<u>95.97%</u>	<u>96.79%</u>	<u>99.11%</u>	<u>90.51%</u>	<u>97.37%</u>	<u>99.85%</u>	<u>93.39%</u>	<u>98.12%</u>	<u>97.87%</u>