

**Palos Fire Protection District
Annual Financial Report
For The Year Ended April 30, 2016**

Palos Fire Protection District
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For The Year Ended April 30, 2016

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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, 2016, 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 fiduciary funds, of Palos Fire Protection District, as of April 30, 2016, 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 MattersOther 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, 2016 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, 2016 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.

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2016**

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, 2016. 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 \$4,803,257 as of April 30, 2016. The District's net position increased \$661,021 in fiscal year 2016. The majority of this increase is due to increased property taxes from a referendum passed. On March 20, 2012, the voters approved a \$1.9 million referendum to provide for financial stability, fleet replacement, and station renovations.

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, 2016**

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 on pages 12 - 13 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 are not contained in 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, 2016**

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 \$4,803,257 for the year ended April 30, 2016. A portion of the District's net position reflects its net investment in capital assets of \$1,427,312. 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 \$1,105,448 at April 30, 2016 is available to fund future District obligations .

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

	For the Year Ended April 30,	
	2016	2015
Assets		
Current Assets	\$ 3,418,470	\$ 2,846,358
Capital Assets	2,361,715	2,403,610
Total Assets	5,780,185	5,249,968
Deferred Outflows of Resources	0	0
Liabilities		
Due Within One Year	149,288	0
Due in More Than One Year	813,305	1,107,732
Total Liabilities	962,593	1,107,732
Deferred Inflow of Resources	0	0
Net Position		
Net Investment in Capital Assets	1,427,312	1,295,878
Restricted	2,270,497	1,563,187
Unrestricted	1,105,448	1,283,171
Total Net Position	\$ 4,803,257	\$ 4,142,236

**PALOS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2016**

Financial Analysis (Continued)

PALOS FIRE PROTECTION DISTRICT		
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS		
For the Year Ended		
April 30,		
	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 689,865	\$ 604,868
Operating Grants and Contributions	0	50,532
General Revenues		
Property Taxes	5,484,225	5,202,609
Other Taxes	36,695	36,637
Investment Income	4,308	2,072
Other Income	41,291	37,066
Total Revenues	6,256,384	5,933,784
Expenses		
Public Safety	5,563,587	5,540,199
Interest on Long-Term Debt	31,776	28,400
Total Expenses	5,595,363	5,568,599
Change in Net Position	661,021	365,185
Net Position, Beginning	4,142,236	3,777,051
Net Position, Ending	\$ 4,803,257	\$ 4,142,236

- Charges for services increase by \$84,997 (14.05%) 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 \$26,764 (0.48%). The increase was primarily due to increases in payroll, benefits and insurance costs.
- During the year \$225,000 was transferred from the General Fund, \$25,000 was transferred to the Insurance Fund, \$100,000 was transferred to the Debt Service Fund, and \$100,000 was transferred to the Capital Projects 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, 2016**

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 \$3,404,135, an increase of \$557,777 or 19.6 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 \$3,375,453 or \$94,507 (2.8 percent) over budget. Property taxes attributed to most of the revenue variance for which collections were better than expected. The General Fund expenditures were \$297,570 under budget mainly due to personnel and apparatus and equipment expenditures which exceeded expectations by \$214,639. The overall net budget variance in the General Fund was a favorable \$392,077.

The General Fund's excess of revenues and other financing sources over expenditures and other financing uses was \$70,069. The fund balance increased to \$1,813,481 at the end of the fiscal year from \$1,743,412 the prior year due to a decrease in internal transfers to insurance, debt service, and capital funds.

Capital Assets and Debt Service

The District's net investment in capital assets, as of April 30, 2016 amounts to \$2,361,715. The net investment in capital assets included land, buildings and improvements, apparatus and vehicles and equipment. Capital assets increased by \$120,734 during the fiscal year due to capital purchases of a vehicle, extraction equipment, turnout gear, and cardiac monitors.

Debt Administration

As of April 30, 2016, the District has future long-term debt principal and interest payments outstanding of \$962,593. The fund balance of the Debt Service Fund at the end of the 2016 fiscal year amounted to \$325,911. Please refer to Note 4 on pages 26 and 27.

Economic Factors

The District's primary revenue sources are property taxes, representing approximately 85 percent of total revenue in the year ended April 30, 2016. 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, 2016**

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, 2016

	Governmental Activities
ASSETS	
Cash	\$ 3,418,470
Capital Assets	
Capital Assets Not Being Depreciated	160,000
Other Capital Assets, Net of Depreciation	2,201,715
Total Capital Assets	2,361,715
TOTAL ASSETS	5,780,185
TOTAL DEFERRED OUTFLOWS	0
LIABILITIES	
Due Within One Year	
Capital Leases Payable	149,288
Due in More Than One Year	
Capital Leases Payable	813,305
TOTAL LIABILITIES	962,593
TOTAL DEFERRED INFLOWS	0
NET POSITION	
Net Investment in Capital Assets	1,427,312
Restricted Amounts	
Tort Liability	651,730
Emergency and Rescue	56,303
Ambulance	907,589
Insurance	288,063
Audit	40,901
Debt Service	325,911
Unrestricted Amounts	1,105,448
TOTAL NET POSITION	\$ 4,803,257

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Statement of Activities - Modified Cash Basis
For The Year Ended April 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenues and Change in Net Position</u>
				<u>Governmental Activities</u>
FUNCTIONS/PROGRAMS				
Governmental Activities				
Public Safety	\$ 5,563,587	\$ 689,865	\$ 0	\$ (4,873,722)
Interest on Long-Term Debt	31,776	0	0	(31,776)
TOTAL	<u>\$ 5,595,363</u>	<u>\$ 689,865</u>	<u>\$ 0</u>	<u>(4,905,498)</u>

GENERAL REVENUES

Taxes	
Property taxes levied for general purposes	5,484,225
Replacement taxes for general purposes	20,865
Foreign fire insurance taxes	15,830
Interest Income	4,308
Miscellaneous	41,291

TOTAL GENERAL REVENUES 5,566,519

CHANGE IN NET POSITION 661,021

NET POSITION, BEGINNING OF YEAR 4,142,236

END OF YEAR \$ 4,803,257

**Palos Fire Protection District
Governmental Funds
Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
- Governmental Funds
April 30, 2016**

	General	Ambulance	Insurance	Audit	Debt Service	Capital	Total
ASSETS							
Cash	\$ 1,813,481	\$ 907,589	\$ 288,063	\$ 40,901	\$ 325,911	\$ 28,190	\$ 3,404,135
TOTAL ASSETS	<u>1,813,481</u>	<u>907,589</u>	<u>288,063</u>	<u>40,901</u>	<u>325,911</u>	<u>28,190</u>	<u>3,404,135</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>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>1,813,481</u>	<u>907,589</u>	<u>288,063</u>	<u>40,901</u>	<u>325,911</u>	<u>28,190</u>	<u>3,404,135</u>
TOTAL LIABILITIES	<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>
FUND BALANCES							
Fund Balances							
Restricted	708,033	907,589	288,063	40,901	325,911	0	2,270,497
Assigned	0	0	0	0	0	28,190	28,190
Unassigned	1,105,448	0	0	0	0	0	1,105,448
TOTAL FUND BALANCES	<u>1,813,481</u>	<u>907,589</u>	<u>288,063</u>	<u>40,901</u>	<u>325,911</u>	<u>28,190</u>	<u>3,404,135</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 1,813,481</u>	<u>\$ 907,589</u>	<u>\$ 288,063</u>	<u>\$ 40,901</u>	<u>\$ 325,911</u>	<u>\$ 28,190</u>	

AMOUNTS REPORTED IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Capital Assets used in governmental funds are not financial resources and therefore are not reported in the fund financial statements.	2,361,715
Capital Leases Payable are not reported as a liability in the fund financial statements.	<u>(962,593)</u>

NET POSITION OF GOVERNMENTAL FUNDS \$ 4,803,257

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Governmental Funds
Statement of Revenues Received, Expenditures Disbursed, and Changes
in Fund Balances - Governmental Funds
For The Year Ended April 30, 2016

	<u>General</u>	<u>Ambulance</u>	<u>Insurance</u>	<u>Audit</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
REVENUES							
Property Taxes	\$ 3,175,837	\$ 2,063,839	\$ 0	\$ 25,496	\$ 0	\$ 0	\$ 5,265,172
Property Taxes							
- Social Security	120,479	98,574	0	0	0	0	219,053
Replacement Taxes	20,865	0	0	0	0	0	20,865
Foreign Fire Insurance							
Taxes	15,830	0	0	0	0	0	15,830
Interest Earned	4,308	0	0	0	0	0	4,308
Charges for Services	0	689,865	0	0	0	0	689,865
Miscellaneous	38,134	3,157	0	0	0	0	41,291
TOTAL REVENUES	<u>3,375,453</u>	<u>2,855,435</u>	<u>0</u>	<u>25,496</u>	<u>0</u>	<u>0</u>	<u>6,256,384</u>
EXPENDITURES							
Fire and Ambulance	3,080,384	2,179,407	0	0	0	0	5,259,791
Insurance	0	0	47,166	0	0	0	47,166
Audit	0	0	0	22,615	0	0	22,615
Debt Service							
Bond Principal	0	0	0	0	145,139	0	145,139
Bond Interest	0	0	0	0	31,776	0	31,776
Capital Outlay	0	0	0	0	0	192,120	192,120
TOTAL EXPENDITURES	<u>3,080,384</u>	<u>2,179,407</u>	<u>47,166</u>	<u>22,615</u>	<u>176,915</u>	<u>192,120</u>	<u>5,698,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	295,069	676,028	(47,166)	2,881	(176,915)	(192,120)	557,777
OTHER FINANCING SOURCES (USES)							
Transfers In	0	0	25,000	0	100,000	100,000	225,000
Transfers Out	(225,000)	0	0	0	0	0	(225,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(225,000)</u>	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	70,069	676,028	(22,166)	2,881	(76,915)	(92,120)	557,777
FUND BALANCES, BEGINNING OF YEAR	<u>1,743,412</u>	<u>231,561</u>	<u>310,229</u>	<u>38,020</u>	<u>402,826</u>	<u>120,310</u>	<u>2,846,358</u>
END OF YEAR	<u>\$ 1,813,481</u>	<u>\$ 907,589</u>	<u>\$ 288,063</u>	<u>\$ 40,901</u>	<u>\$ 325,911</u>	<u>\$ 28,190</u>	<u>\$ 3,404,135</u>

See Accompanying Notes to the Financial Statements

Palos Fire Protection District
Reconciliation of the Statement of Revenues Received, Expenditures
Disbursed, and Changes in Fund Balance - Governmental Funds to the
Statement of Activities - Modified Cash Basis
For The Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds (Combined Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Governmental Funds)	\$ 557,777
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.	(162,629)
Purchases of capital assets are treated as an expenditure in the fund financial statements.	120,734
Payments of capital lease principal are treated as an expenditure in the fund financial statements.	<u>145,139</u>
Change in Net Assets of Governmental Activities (Statement of Activities - Modified Cash Basis)	<u><u>\$ 661,021</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, 2016

	<u>Firefighters' Pension Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,071,700
Investments, at Fair Value	
Certificates of Deposit	1,464,737
U.S. Government Obligations	1,475,640
U.S. Agency Obligations	2,217,722
Corporate Obligations	2,033,269
Equities	2,224,038
Insurance Contracts	1,180,435
Mutual Funds	3,061,324
Total Investments	<u>13,657,165</u>
TOTAL ASSETS	<u>14,728,865</u>
TOTAL LIABILITIES	<u>0</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 14,728,865</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, 2016**

	<u>Firefighters' Pension Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 832,890
Plan Members	268,033
Total Contributions	<u>1,100,923</u>
Investment Income	
Net Depreciation in Fair Value of Investments	(49,866)
Interest and Dividends	172,625
Total Investment Income	<u>122,759</u>
Less: Investment Expenses	95,240
Net Investment Income	<u>27,519</u>
Other Income	<u>5,231</u>
TOTAL ADDITIONS	<u>1,133,673</u>
DEDUCTIONS	
Benefits and Refunds	489,593
Administrative Expenses	6,875
TOTAL DEDUCTIONS	<u>496,468</u>
NET CHANGE IN NET POSITION	637,205
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	<u>14,091,660</u>
END OF YEAR	<u><u>14,728,865</u></u>

See Accompanying Notes to the Financial Statements

**Palos Fire Protection District
Notes To The Financial Statements
For The Year Ended April 30, 2016**

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, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 goods 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:

- 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:

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Fund Types (Governmental Activities) (Continued)

General Fund

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.

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.

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:

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

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.
- 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.

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.

Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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.

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.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2016.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- 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.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity Classifications (Continued)

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	Insurance	Audit	Debt Service	Capital	Total
Restricted							
Tort Liability	\$ 651,730	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 651,730
Emergency and Rescue	56,303	0	0	0	0	0	56,303
Ambulance	0	907,589	0	0	0	0	907,589
Insurance	0	0	288,063	0	0	0	288,063
Audit	0	0	0	40,901	0	0	40,901
Debt Service	0	0	0	0	325,911	0	325,911
Assigned	0	0	0	0	0	28,190	28,190
Unassigned	1,105,448	0	0	0	0	0	1,105,448
	<u>\$ 1,813,481</u>	<u>\$ 907,589</u>	<u>\$ 288,063</u>	<u>\$ 40,901</u>	<u>\$ 325,911</u>	<u>\$ 28,190</u>	<u>\$ 3,404,135</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, 2016 are as follows:

Fund	Transfers In	Transfers Out
Corporate	\$ 0	\$ 225,000
Insurance	25,000	0
Debt Service	100,000	0
Capital	100,000	0
	<u>\$ 225,000</u>	<u>\$ 225,000</u>

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Bank Deposits and Investments

At April 30, 2016, the carrying amount of the District's deposits was \$3,404,135 and the bank balance was \$3,278,532. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

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.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2016, 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 \$162,629.

	Balance at May 1, 2015	Additions	Retirements	Balance at April 30, 2016
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	1,475,000	0	0	1,475,000
Apparatus and Vehicles	2,524,944	39,444	0	2,564,388
Equipment	256,619	81,290	0	337,909
	<u>4,256,563</u>	<u>120,734</u>	<u>0</u>	<u>4,377,297</u>
Less Accumulated Depreciation				
Buildings and Improvements	(733,417)	(28,700)	0	(762,117)
Apparatus and Vehicles	(1,187,135)	(113,765)	0	(1,300,900)
Equipment	(92,401)	(20,164)	0	(112,565)
	<u>(2,012,953)</u>	<u>(162,629)</u>	<u>0</u>	<u>(2,175,582)</u>
Net Capital Assets - Governmental Activities	<u>\$ 2,403,610</u>	<u>\$ (41,895)</u>	<u>\$ 0</u>	<u>\$ 2,361,715</u>

NOTE 4 – DEBT COMMITMENTS

A summary of changes in long-term debt for the year ended April 30, 2016 is as follows:

Type	Balance at May 1, 2015	Advances	Repayments	Balance at April 30, 2016	Amount Due Within One Year
Capital Leases Payable					
\$781,066 - Fire Engine	\$ 712,586	\$ 0	\$ (70,458)	\$ 642,128	\$ 72,494
\$395,146 - Fire Engine	395,146	0	(74,681)	320,465	76,794
	<u>\$ 1,107,732</u>	<u>\$ 0</u>	<u>\$ (145,139)</u>	<u>\$ 962,593</u>	<u>\$ 149,288</u>

Debt commitments at April 30, 2016 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 \$87,869.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 4 – DEBT COMMITMENTS (CONTINUED)

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 \$31,282.

Future payments of long-term debt at April 30, 2016 consist of the following:

Fiscal Year	Principal	Interest	Total
2017	\$ 149,288	\$ 27,627	\$ 176,915
2018	153,557	23,358	176,915
2019	157,947	18,968	176,915
2020	162,463	14,452	176,915
2021	81,245	9,609	90,854
2022 - 2024	258,093	15,060	273,153
	\$ 962,593	\$ 109,074	\$ 1,071,667

NOTE 5 – DEFICIT FUND BALANCES

At April 30, 2016, none of the funds of the District had a deficit fund balance.

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

For the year ended April 30, 2016, the following funds had actual expenditures that exceed budgeted and/or appropriated expenditures.

Fund	Actual Expenditures	Budgeted Expenditures	Appropriations
Emergency and Rescue	\$ 234,231	\$ 233,707	\$ 236,137
Debt Service	176,915	176,900	185,745

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.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 8 – RETIREE HEALTH INSURANCE PLAN (CONTINUED)

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

A. Plan Description

The District participates in the Firefighters’ Pension Employer Retirement System (FPERS). The Firefighters’ Pension Fund is a single-employer defined benefit plan. The Firefighters’ Pension Fund covers the full time fire personnel of the District. The Firefighters’ Pension Fund provides retirement, disability, and death benefits as well as automatic cost of living adjustments, to plan members and their beneficiaries. The Firefighters’ Pension Fund issues a separate report that includes financial statements, note disclosures, and required supplementary information. The report may be obtained by contacting the District. Plan members are required to contribute 9.455% of their annual covered payroll. The District is required to contribute at an actuarially determined rate. The defined benefits and contribution requirements of the plan members and the District are governed by Illinois State Statutes and may only be amended by Illinois legislature. Administrative costs are financed through investment earnings. At April 30, 2016, the date of the latest actuarial valuation, the Firefighters’ Pension Fund membership consisted of the following:

Inactive Plan Members of Beneficiaries Currently Receiving Benefits	7
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	28
Total	<u>35</u>
Payroll of Active Plan Members	\$ 2,606,495

The Firefighters’ Pension Fund provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$105,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% of ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after 60 and receive a reduced benefit.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 9 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

A. Plan Description (Continued)

Covered employees are required to contribute 9.455% of their base salary to the Firefighters’ Pension Fund. 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 as actuarially determined by an enrolled actuary. By the year 2040, the District’s contributions must accumulate to the point where the past service cost for the Firefighters’ Pension fund is 90% funded.

Deferred Outflows and Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
1. Differences Between Expected and Actual Experience	\$ 0	\$ 0
2. Changes of Assumptions	0	0
3. Net Difference Between Projected and Actual Earnings on Pension Plan Investments	679,915	0
4. Contributions Subsequent to the Measurement Date*	0	0
5. Total	<u>\$ 679,915</u>	<u>\$ 0</u>

*Contributions subsequent to the measurement date may be recognized as a reduction to the NPL. The amount is not known as of the date of this report.

Sensitivity of the Discount Rate

	<u>1% Decrease (4.44%)</u>	<u>Current Discount Rate (5.44%)</u>	<u>1% Increase (6.44%)</u>
Employer Net Pension Liability	\$ 14,293,244	\$ 9,576,133	\$ 5,856,379

B. Investment Policy

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

<u>Asset Class</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>	<u>Preferred Allocation</u>
Equities	10%	45%	40%
Fixed Income	50%	90%	55%
Cash & Cash Equivalents	0%	10%	5%

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 9 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

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

<u>Category</u>	<u>Fair Value</u>	<u>< 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>> 10 Years</u>
U.S. Agency Obligations	\$ 2,217,722	\$ 101,174	\$ 681,321	\$ 919,449	\$ 515,778
Corporate Obligations	2,033,269	126,664	1,089,575	817,030	0
	<u>\$ 4,250,991</u>	<u>\$ 227,838</u>	<u>\$ 1,770,896</u>	<u>\$ 1,736,479</u>	<u>\$ 515,778</u>

D. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters’ 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 Firefighters’ Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in securities of U.S. government agencies were all rated triple A by Moody’s Investment Services or Standard & Poor’s. In August 2011, U.S. Treasury and government agency security ratings were downgraded by Standard & Poor’s rating agency to AA+.

<u>S&P Rating</u>	<u>U.S. Agency Obligations</u>	<u>Corporate Obligations</u>	<u>Total</u>	<u>Percentage of Debt Portfolio</u>
AA+	\$ 2,217,722	\$ 56,921	\$ 2,274,643	53.51%
AA	0	43,303	43,303	1.02%
AA-	0	102,227	102,227	2.40%
A+	0	62,802	62,802	1.48%
A	0	338,409	338,409	7.96%
A-	0	550,118	550,118	12.94%
BBB+	0	503,121	503,121	11.84%
BBB	0	78,245	78,245	1.84%
BBB-	0	86,739	86,739	2.04%
Not Rated	0	211,384	211,384	4.97%
	<u>\$ 2,217,722</u>	<u>\$ 2,033,269</u>	<u>\$ 4,250,991</u>	<u>100.00%</u>

E. Custodial Credit Risk

In the cash of deposits, custodial credit risk is the risk that in the event of a bank failure, the Firefighters’ Pension Fund deposits may not be returned to it. At April 30, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters’ Pension Fund’s investment policy requires pledging of collateral of all balances in excess of federal depository insurance.

**Palos Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2016**

NOTE 9 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

E. Custodial Credit Risk (Continued)

In the case of investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Firefighters’ 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. Illinois Funds, money market mutual funds, and equity mutual funds are not subject to custodial credit risk. In accordance with the Firefighters’ Pension Fund’s investment policy, the Firefighters’ Pension Fund limits its exposure to custodial credit risk by utilizing an independent thirty party institution, selected by the Firefighters’ Pension Fund, to act as a custodian for its securities and collateral.

F. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Firefighters’ Pension Fund’s investment in a single issuer. The Firefighters’ Pension Fund does not have a formal written policy with regards to custodial credit risk for investments. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

The following investment has a balance that represented more than 5% of net position.

<u>Entity</u>	<u>Percentage</u>
FNMA	9.77%

NOTE 10 – SUBSEQUENT EVENTS

The date to which events occurring after April 30, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is October 28, 2016, 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, 2016**

Multiyear Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarial Determined Contribution</u>	<u>Contribution (Excess)/ Deficiency</u>	<u>Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
2016	\$ 735,575	\$ 832,890	\$ (97,315)	\$ 2,606,495	32.0%
2015	650,591	941,277	(290,686)	2,813,718	33.5%

GASB Pronouncements 67 and 68 require the presentation of the last ten prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	5.44%
Long-Term Expected Rate of Return on Plan Assets	6.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.32%
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%

**Palos Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures (Continued)
For The Year Ended April 30, 2016**

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

Plan Year Ending April 30,	2016	2015
Total Pension Liability		
Service Cost	\$ 909,146	
Interest	1,219,700	
Change of Benefit Terms	0	
Differences Between Expected and Actual Experience	0	
Change in Assumptions	0	
Benefit Payments and Refunds	<u>(489,593)</u>	
Net Change in Total Pension Liability	1,639,253	
Total Pension Liability - Beginning	<u>22,665,745</u>	
Total Pension Liability - Ending (a)	<u>\$ 24,304,998</u>	<u>\$ 22,665,745</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 832,890	\$ 941,277
Contributions - Member	268,033	287,814
Net Investment Income	32,750	399,972
Benefit Payments and Refunds	(489,593)	(268,148)
Administrative Expense	(6,875)	(9,587)
Prior Period Audit Adjustment	<u>271,582</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	908,787	1,351,328
Plan Fiduciary Net Position - Beginning	<u>13,820,078</u>	<u>12,468,750</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,728,865</u>	<u>\$ 13,820,078</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 9,576,133</u>	<u>\$ 8,845,667</u>
Plan Fiduciary Net Position as		
a Percentage of Total Pension Liability	60.60%	60.97%
Covered Valuation Payroll	\$ 2,606,495	\$ 2,813,718
Net Pension Liability as a Percentage		
of Covered Valuation Payroll	367.40%	314.38%

GASB Pronouncements 67 and 68 require the presentation of the last ten prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

**Palos Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures (Continued)
For The Year Ended April 30, 2016**

Multiyear Schedule of Investment Returns
Firefighters' Pension Employer Retirement System

	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	(a)	(a)

(a) - Information is not readily available.

GASB Pronouncements 67 and 68 require the presentation of the last ten prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

Palos Fire Protection District
General Fund
Combining Statement of Assets, Liabilities, and Fund Balances - Modified Cash
Basis - Governmental Funds
April 30, 2016

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency and Rescue</u>	<u>Total General Fund</u>
ASSETS				
Cash	\$ 1,105,448	\$ 651,730	\$ 56,303	\$ 1,813,481
TOTAL ASSETS	<u>1,105,448</u>	<u>651,730</u>	<u>56,303</u>	<u>1,813,481</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND AND DEFERRED OUTFLOWS	<u>1,105,448</u>	<u>651,730</u>	<u>56,303</u>	<u>1,813,481</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	651,730	56,303	708,033
Unassigned	1,105,448	0	0	1,105,448
TOTAL FUND BALANCES	<u>1,105,448</u>	<u>651,730</u>	<u>56,303</u>	<u>1,813,481</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 1,105,448</u>	<u>\$ 651,730</u>	<u>\$ 56,303</u>	<u>\$ 1,813,481</u>

**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, 2016**

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency and Rescue</u>	<u>Total General Fund</u>
REVENUES				
Property Taxes	\$ 2,063,839	\$ 720,683	\$ 391,315	\$ 3,175,837
Property Taxes - Social Security	98,574	0	21,905	120,479
Replacement Taxes	20,865	0	0	20,865
Foreign Fire Insurance Taxes	15,830	0	0	15,830
Interest Earned	4,308	0	0	4,308
Miscellaneous	38,134	0	0	38,134
TOTAL REVENUES	<u>2,241,550</u>	<u>720,683</u>	<u>413,220</u>	<u>3,375,453</u>
EXPENDITURES				
Personnel	1,960,526	0	234,231	2,194,757
Station Expenditures	37,966	0	0	37,966
Apparatus and Equipment	105,580	0	0	105,580
Emergency Communication	43,827	0	0	43,827
Administration	46,558	0	0	46,558
General	2,192	0	0	2,192
Tort Liability	0	649,504	0	649,504
TOTAL EXPENDITURES	<u>2,196,649</u>	<u>649,504</u>	<u>234,231</u>	<u>3,080,384</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>44,901</u>	<u>71,179</u>	<u>178,989</u>	<u>295,069</u>
OTHER FINANCING USES				
Transfers Out	(225,000)	0	0	(225,000)
TOTAL OTHER FINANCING USES	<u>(225,000)</u>	<u>0</u>	<u>0</u>	<u>(225,000)</u>
NET CHANGE IN FUND BALANCE	(180,099)	71,179	178,989	70,069
FUND BALANCE (DEFICIT), BEGINNING OF YEAR,	<u>1,285,547</u>	<u>580,551</u>	<u>(122,686)</u>	<u>1,743,412</u>
END OF YEAR	<u>\$ 1,105,448</u>	<u>\$ 651,730</u>	<u>\$ 56,303</u>	<u>\$ 1,813,481</u>

**Palos Fire Protection District
Corporate Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,097,057	\$ 2,097,057	\$ 2,063,839	\$ (33,218)
Property Taxes - Social Security	89,326	89,326	98,574	9,248
Replacement Taxes	15,000	15,000	20,865	5,865
Foreign Fire Insurance Taxes	16,000	16,000	15,830	(170)
Interest Earned	1,500	1,500	4,308	2,808
Miscellaneous	10,000	10,000	38,134	28,134
TOTAL REVENUES	<u>2,228,883</u>	<u>2,228,883</u>	<u>2,241,550</u>	<u>12,667</u>
EXPENDITURES				
Personnel	2,113,382	2,113,382	1,960,526	152,856
Station Expenditures	59,150	59,150	37,966	21,184
Apparatus and Equipment	167,363	167,363	105,580	61,783
Emergency Communication	44,925	44,925	43,827	1,098
Administration	82,650	82,650	46,558	36,092
General	750	750	2,192	(1,442)
TOTAL EXPENDITURES	<u>2,468,220</u>	<u>2,468,220</u>	<u>2,196,649</u>	<u>271,571</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(239,337)</u>	<u>(239,337)</u>	<u>44,901</u>	<u>284,238</u>
OTHER FINANCING USES				
Transfers Out	(225,000)	(225,000)	(225,000)	0
TOTAL OTHER FINANCING USES	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ (464,337)</u>	<u>\$ (464,337)</u>	<u>(180,099)</u>	<u>\$ 284,238</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,285,547</u>	
END OF YEAR			<u>\$ 1,105,448</u>	

Palos Fire Protection District
Tort Liability Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 773,888	\$ 773,888	\$ 720,683	\$ (53,205)
TOTAL REVENUES	<u>773,888</u>	<u>773,888</u>	<u>720,683</u>	<u>(53,205)</u>
EXPENDITURES				
Tort Liability	676,027	676,027	649,504	26,523
TOTAL EXPENDITURES	<u>676,027</u>	<u>676,027</u>	<u>649,504</u>	<u>26,523</u>
NET CHANGE IN FUND BALANCE	<u>\$ 97,861</u>	<u>\$ 97,861</u>	71,179	<u>\$ (26,682)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>580,551</u>	
END OF YEAR			<u>\$ 651,730</u>	

**Palos Fire Protection District
Emergency and Rescue Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 258,325	\$ 258,325	\$ 391,315	\$ 132,990
Property Taxes - Social Security	19,850	19,850	21,905	2,055
TOTAL REVENUES	<u>278,175</u>	<u>278,175</u>	<u>413,220</u>	<u>135,045</u>
EXPENDITURES				
Personnel	233,707	233,707	234,231	(524)
TOTAL EXPENDITURES	<u>233,707</u>	<u>233,707</u>	<u>234,231</u>	<u>(524)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 44,468</u>	<u>\$ 44,468</u>	178,989	<u>\$ 134,521</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(122,686)</u>	
END OF YEAR			<u>\$ 56,303</u>	

**Palos Fire Protection District
Ambulance Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,097,057	\$ 2,097,057	\$ 2,063,839	\$ (33,218)
Property Taxes - Social Security	89,326	89,326	98,574	9,248
Charges for Services	576,000	576,000	689,865	113,865
Miscellaneous	2,500	2,500	3,157	657
TOTAL REVENUES	<u>2,764,883</u>	<u>2,764,883</u>	<u>2,855,435</u>	<u>90,552</u>
EXPENDITURES				
Personnel	2,113,382	2,113,382	1,962,556	150,826
Station Expenditures	59,150	59,150	37,209	21,941
Apparatus and Equipment	151,563	151,563	88,555	63,008
Emergency Communication	44,925	44,925	43,835	1,090
Administration	82,650	82,650	45,661	36,989
General	750	750	1,591	(841)
TOTAL EXPENDITURES	<u>2,452,420</u>	<u>2,452,420</u>	<u>2,179,407</u>	<u>273,013</u>
NET CHANGE IN FUND BALANCE	<u>\$ 312,463</u>	<u>\$ 312,463</u>	676,028	<u>\$ 363,565</u>
FUND BALANCE, BEGINNING OF YEAR			<u>231,561</u>	
END OF YEAR			<u>\$ 907,589</u>	

Palos Fire Protection District
Insurance Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
TOTAL REVENUES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXPENDITURES				
Retirement Insurance	<u>23,100</u>	<u>23,100</u>	<u>47,166</u>	<u>(24,066)</u>
TOTAL EXPENDITURES	<u>23,100</u>	<u>23,100</u>	<u>47,166</u>	<u>(24,066)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(23,100)</u>	<u>(23,100)</u>	<u>(47,166)</u>	<u>(24,066)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,900</u>	<u>\$ 1,900</u>	<u>(22,166)</u>	<u>\$ (24,066)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>310,229</u>	
END OF YEAR			<u>\$ 288,063</u>	

Palos Fire Protection District
Audit Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 25,017	\$ 25,017	\$ 25,496	\$ 479
TOTAL REVENUES	<u>25,017</u>	<u>25,017</u>	<u>25,496</u>	<u>479</u>
EXPENDITURES				
Financial Services	24,000	24,000	22,615	1,385
TOTAL EXPENDITURES	<u>24,000</u>	<u>24,000</u>	<u>22,615</u>	<u>1,385</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,017</u>	<u>\$ 1,017</u>	2,881	<u>\$ 1,864</u>
FUND BALANCE, BEGINNING OF YEAR			<u>38,020</u>	
END OF YEAR			<u>\$ 40,901</u>	

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Principal	145,139	145,139	145,139	0
Interest	31,761	31,761	31,776	(15)
TOTAL EXPENDITURES	<u>176,900</u>	<u>176,900</u>	<u>176,915</u>	<u>(15)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(176,900)</u>	<u>(176,900)</u>	<u>(176,915)</u>	<u>(15)</u>
OTHER FINANCING SOURCES				
Transfers In	100,000	100,000	100,000	0
TOTAL OTHER FINANCING SOURCES	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ (76,900)</u>	<u>\$ (76,900)</u>	<u>(76,915)</u>	<u>\$ (15)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>402,826</u>	
END OF YEAR			<u>\$ 325,911</u>	

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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Grants	\$ 25,000	\$ 25,000	\$ 0	\$ (25,000)
TOTAL REVENUES	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>(25,000)</u>
EXPENDITURES				
Capital Outlay	231,000	231,000	192,120	38,880
TOTAL EXPENDITURES	<u>231,000</u>	<u>231,000</u>	<u>192,120</u>	<u>38,880</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(206,000)</u>	<u>(206,000)</u>	<u>(192,120)</u>	<u>13,880</u>
OTHER FINANCING SOURCES				
Transfers In	100,000	100,000	100,000	0
TOTAL OTHER FINANCING SOURCES	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ (106,000)</u>	<u>\$ (106,000)</u>	<u>(92,120)</u>	<u>\$ 13,880</u>
FUND BALANCE, BEGINNING OF YEAR			<u>120,310</u>	
END OF YEAR			<u>\$ 28,190</u>	

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

Tax Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Assessed										
Valuation	\$ 508,385,310	\$ 525,591,552	\$ 538,069,252	\$ 573,565,141	\$ 619,469,614	\$ 774,016,357	\$ 740,784,176	\$ 704,983,350	\$ 628,094,217	\$ 585,653,988
Tax Rates										
Corporate	0.3989	0.3944	0.3866	0.4000	0.2848	0.2190	0.2095	0.2287	0.2478	0.2520
Ambulance	0.3989	0.3944	0.3856	0.3000	0.2450	0.1662	0.1571	0.1584	0.1688	0.1766
Tort Liability	0.1263	0.1508	0.1308	0.1083	0.0461	0.0448	0.0502	0.0619	0.0644	0.0580
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0389
*Firefighters'										
Pension	0.1797	0.1677	0.1796	0.1694	0.0808	0.0661	0.0655	0.0482	0.0500	0.0576
Audit	0.0050	0.0048	0.0050	0.0050	0.0022	0.0021	0.0022	0.0023	0.0024	0.0026
Emergency										
and Rescue	0.1000	0.0503	0.0500	0.0500	0.0412	0.0499	0.0479	0.0000	0.0000	0.0000
Social Security	0.0456	0.0386	0.0153	0.0139	0.0082	0.0080	0.0112	0.0111	0.0115	0.0114
	<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>	<u>0.5449</u>	<u>0.5971</u>
Tax Extensions										
Corporate	2,027,980	2,072,933	2,074,916	2,294,261	1,764,249	1,694,850	1,552,158	1,612,599	1,475,976	1,475,976
Ambulance	2,027,980	2,072,933	2,074,916	1,720,695	1,517,700	1,286,167	1,164,119	1,116,921	1,034,313	1,034,313
Tort Liability	641,990	792,592	704,022	621,126	285,575	347,110	371,830	436,205	339,900	339,900
Debt Service	0	0	0	0	0	0	0	0	227,850	227,850
*Firefighters'										
Pension	*	*	966,327	971,436	500,677	511,553	485,243	339,754	337,366	337,366
Audit	25,419	25,228	26,903	28,678	13,628	16,480	16,609	15,965	14,935	14,935
Emergency										
and Rescue	508,385	264,372	269,035	286,783	255,221	385,998	354,605	0	0	0
Social Security	231,750	202,878	82,156	79,763	50,796	61,800	83,047	78,280	66,950	66,950
	<u>\$ 5,463,504</u>	<u>\$ 5,430,936</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>	<u>\$ 3,497,290</u>	<u>\$ 3,497,290</u>
*Tax Collections		<u>\$ 5,314,871</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>	<u>\$ 3,449,197</u>	<u>\$ 3,449,197</u>
Percentage										
Collected		<u>97.86%</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>	<u>98.62%</u>	<u>98.62%</u>

*Starting in FY 2013, tax collections for the Firefighters' Pension were remitted directly to the Firefighters' Pension fund rather than passed through the District.