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**ITASCA FIRE PROTECTION DISTRICT  
FREEDOM OF INFORMATION ACT  
WRITTEN REQUEST FOR RECORDS**

**FORM 1**

Name: JAMES BALDWIN  
Address: HAYMARKET CENTER - 932 W. WASHINGTON BLVD  
City: CHICAGO State: IL Zip: 60607

Dear Administrative Assistant (or designee):

(I), (We), are hereby requesting that (I) (We)

       Inspect the following records at the Itasca Fire Protection District's Administrative Office.

  X   Receive copies of the following records from the Itasca Fire Protection District.

(Please be specific in listing records.)

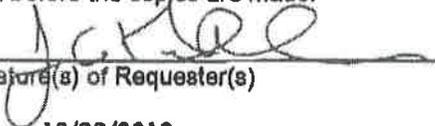
Please provide your last audited financials statement for the Itasca Fire Protection District and if applicable, the separate Itasca Fire Pension Fund. \_\_\_\_\_

Please email to jbaldwin@hcenter.org

       Will the records received or requested or the information derived thereof be used in any form of sale, resale, or solicitation or advertisement for sales or services?

       Yes   X   No

I understand that if I request that the records be copied, I may be charged a fee due in full before the copies are made.

  
Signature(s) of Requester(s)

10/22/2019  
Date of Request

(For office use only)

Date Request Received: \_\_\_\_\_

Date Response Due: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

IFPD Exhibit  
10

**Itasca Fire Protection District #1**  
**Itasca, Illinois**

**Annual Financial Report**

**Year Ended**  
**May 31, 2018**

**Roger E. Wooten, CPA**

**Itasca Fire Protection District #1  
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Year Ended May 31, 2018**

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# Roger E. Wooten, CPA

10297 Morgan Road  
Garden Prairie, IL 61038  
630-272-1019

## Independent Auditor's Report

The Board of Trustees  
Itasca Fire Protection District No. 1  
Itasca, Illinois

I have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Itasca Fire Protection District No. 1, Itasca, Illinois, as of and for the year ended May 31, 2018, which collectively comprise the Itasca Fire Protection District No. 1, Itasca, Illinois' financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Itasca Fire Protection District No. 1, Itasca, Illinois, as of May 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters*****Required Supplementary Information***

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

***Other Information***

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Itasca Fire Protection District No. 1, Itasca, Illinois' basic financial statements. The accompanying supplementary information listed as individual fund financial schedules and statistical information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial schedules are the responsibility of management and were derived from and made directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including preparing 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 my opinion, the individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Garden Prairie, Illinois  
November 27, 2018

## **Itasca Fire Protection District #1 Management's Discussion and Analysis**

### **Introduction**

The District's management discussion and analysis (MD&A) provides an overview of the District's financial activities for the year ended May 31, 2018. Please read it as a narrative introduction to the financial statements that follow. This report is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, identify any material deviations from the approved budget and identify individual fund issues and concerns.

The MD&A is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Financial Highlights**

- The District's total net position exceeded its total liabilities at the close of the most recent fiscal year by \$6,478,345. The District's total net position increased \$113,962 over the previous fiscal year.
- Property taxes levied and accrued were \$4,831,676 compared to the prior year of \$4,699,209 for an increase of \$132,467.
- At May 31, 2018, the District's governmental fund financial statements reported combined ending fund balances of \$378,937, a decrease of \$165,440 from the prior year.
- The district's outstanding long-term debt at May 31, 2018 was an installment bank note of \$214,199.

### **Overview of the Financial Statements**

Management's Discussion and Analysis introduces the District's basic financial statements. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements and notes to the financial statements. The District also includes in this report additional information to supplement the basic financial statements.

## **Government-wide Financial Statements**

The government-wide statements are designed to provide readers with a broad overview of the District's finances. The two new government-wide financial statements, Statement of Net position and Statement of Activities represent an overview of the District as a whole, separating its operations between governmental and business-type activities. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two 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 as a whole is improving or deteriorating.

The *Statement of Activities* presents changes in the District's net position during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on the revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District does not have any funds that would be considered business-type activities. Governmental activities include general government and public safety.

The government-wide financial statements are presented on pages 10 and 11 of this report with condensed comparative statement presented here.

**Condensed Statement of Net Position**

	<u>May 31, 2018</u>	<u>May 31, 2017</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Current assets	4,736,706	4,396,204
Capital assets (net)	<u>2,221,310</u>	<u>2,485,652</u>
<b>Total assets</b>	<u><b>6,958,016</b></u>	<u><b>6,881,856</b></u>
<b>Deferred outflows of resources</b>		
Current Liabilities	72,007	76,429
Noncurrent Liabilities	<u>407,664</u>	<u>441,044</u>
<b>Total liabilities</b>	<u><b>479,671</b></u>	<u><b>517,473</b></u>
<b>Net Position:</b>		
Invested in capital assets	2,007,111	2,198,766
Restricted	-	255,000
Unrestricted	<u>4,471,234</u>	<u>3,910,617</u>
<b>Total net position</b>	<u><b>6,478,345</b></u>	<u><b>6,364,383</b></u>

	<u>June 1, 2017 - May 31, 2018</u>	<u>June 1, 2016 - May 31, 2017</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$495,396	\$414,796
Grants and contributions	-	-
Taxes:		
Property taxes	3,894,724	3,829,863
Replacement taxes	36,599	36,701
Grants		57,465
Miscellaneous	7,390	
Interest	15,770	4,589
Total revenues	<u>4,449,879</u>	<u>4,343,414</u>
<b>Expenses</b>		
General government		
Corporate	4,329,353	4,424,258
Interest /Fees	6,564	13,366
Total expenses	<u>4,335,917</u>	<u>4,437,624</u>
Change in net position	<u>113,962</u>	<u>(94,210)</u>

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund and major special revenue funds. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 12 through 14 of this report. The pension is detailed on pages 15 and 16.

#### **Notes to the Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Major funds are reported in the basic financial statements as discussed. Individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 35.

#### **Government-wide Financial Analysis**

This District implemented the new financial reporting model used in this report beginning with the fiscal year ended May 31, 2006. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss changing financial position of the District as a whole.

The District's combined net position was \$6,478,345, which includes a \$2,007,111 investment in capital assets. The total revenues were \$4,449,879, while the total expenditures were \$4,335,917.

## **Financial Analysis of the District's Funds**

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$374,785. Of this yearend total, \$226,663 is unreserved and undesignated, indicating availability for continuing the District's operations. Designated fund balances include: \$143,980 designated for ambulance services, and \$14,142 designated for special revenue funds.

The total ending fund balances of governmental funds show a decrease of \$165,440 from the prior year. There were no Capital expenditures for the year.

### **Major Governmental Funds**

The Corporate and Ambulance funds are the primary operating funds of the District.

The fund balance of the Corporate Fund as of May 31, 2018 was \$226,663, an increase of \$60,592 from the prior year. The Ambulance Fund's fund balance was \$143,980, an increase of \$35,417 from the prior year.

### **Corporate Fund Budgetary Highlights**

The budget stood as adopted.

The corporate and ambulance funds are reported as major funds.

Revenues in the corporate fund were \$2,027,860 which was \$7,921 over budget. Expenditures were \$2,087,268 which was over budget by \$49,911. The fund balance increased to \$226,663 at the end of the year from \$166,071 in the prior year. While there was an operating loss of \$59,408 the gain was due to a transfer of \$120,000 from reserves.

Revenues in the Ambulance fund were \$2,028,623 which was \$840,872 under budget. Expenditures were \$2,083,206 which was under budget by \$392,751. The net budget variance was an unfavorable \$448,121. The fund balance increased to \$143,980 at the end of the year from \$108,563. Like the corporate fund there was an operating loss of \$54,583 with the gain being attributed to a transfer of \$90,000 from reserves.

### **Capital Assets**

The District's investment in capital assets, net of accumulated depreciation as of May 31, 2018 was \$2,221,310. Depreciation expense was \$264,342 and there were no capital assets purchased for the year.

### **Economic Factors and Next Year's Budget**

The District's primary revenue source is property taxes, which represents approximately 87% of total revenue. The Property Tax Extension Limitation Law allows a taxing district to receive a limited increase (5% or the cost of living, whichever is smaller) on the existing property tax rate, plus an additional amount for new construction. The 2017 property tax revenue increased \$132,467 over the prior year for governmental funds.

### **Factors Bearing on the District's Future**

At the time of these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely affect its financial health in the near future. To the benefit of the District was the successful passage of the November referendum which passed and increased the tax revenues to the district by about \$1,000,000. This should substantially shore up the District's financial condition.

### **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. I will be happy to answer any questions or suggestions about this report. Please address them to:

Chief James Burke, Jr.  
Itasca Fire Protection District #1  
520 W. Irving Park Road  
Itasca, IL 60143

ITASCA FIRE PROTECTION DISTRICT # 1  
Statement of Net Position  
May 31, 2018

**ASSETS**

**Current Assets**

Cash & Investments	\$	464,689
Receivable		
Property taxes		3,900,058
Service Fees		368,884
Prepaid expenses		3,075
		4,736,706

**Non - Current Assets**

Capital assets		
Land		810,000
Other capital assets, net of depreciation		1,411,310
		2,221,310

**Total Non - Current Assets**

**Total Assets**

6,958,016

**LIABILITIES**

**Current Liabilities**

Accounts payable		1,015
Bank installment note - current		70,992
		72,007

**Non - Current Liabilities**

Installment Bank Notes		143,207
Compensated Absences Payable		264,457
		407,664

**Total Non - Current Liabilities**

**Total Liabilities**

479,671

**NET POSITION**

Invested in capital assets		2,007,111
Unrestricted		4,471,234
Designated for Capital Improvements		-
		6,478,345

**Total Net Position**

\$ 6,478,345

The accompanying notes are an integral part of this statement

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Statement of Activities**  
**For the Year Ended May 31, 2018**

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES		NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental Activities				
Public Safety	\$4,329,353	\$495,396	\$0	(\$3,833,957)
Interest on debt	6,564			(\$6,564)
General revenues				
Property taxes				3,894,724
Replacement Taxes				36,599
Investment earnings				15,770
Miscellaneous				7,390
<b>Total general revenues</b>				<u>3,954,483</u>
Change in Net Assets				113,962
Net position - beginning of year				6,364,363
<b>Net position - end of year</b>				<u>6,478,345</u>

ITASCA FIRE PROTECTION DISTRICT # 1  
Balance Sheet  
Governmental Funds  
May 31, 2018

	Corporate	Ambulance	Other Governmental Funds	Capital/ Reserve Fund	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 201,663	\$ 201,121	\$ 61,915	\$ -	\$ 464,699
Receivable:					
Property taxes	1,812,544	1,812,544	274,870		3,900,058
Service Fees	225,518	143,388			368,884
Prepaid Expenses	0	0	3,075		3,075
Due from Other Funds			0		0
<b>Total Assets</b>	<b>\$ 2,239,715</b>	<b>\$ 2,157,031</b>	<b>\$ 339,960</b>	<b>\$ -</b>	<b>\$ 4,736,706</b>
<b>Liabilities</b>					
Accounts payable	\$ 508	\$ 507			\$ 1,015
Due to Other Funds	200,000	200,000	50,848		450,848
Deferred tax revenue	1,812,544	1,812,544	274,870		3,900,058
<b>Total Liabilities</b>	<b>2,013,052</b>	<b>2,013,051</b>	<b>325,818</b>	<b>0</b>	<b>4,351,921</b>
<b>Fund Balance</b>					
Unreserved, undesignated	226,663				226,664
Unreserved, ambulance services		143,880			143,980
Unreserved, special revenue funds			14,142		14,142
Reserved Capital Projects				0	0
<b>Total Fund Balances</b>	<b>226,663</b>	<b>143,880</b>	<b>14,142</b>	<b>0</b>	<b>384,785</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 2,239,715</b>	<b>\$ 2,157,031</b>	<b>\$ 339,960</b>	<b>\$ -</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	2,221,310
Property taxes is not that do not provide current financial resources and therefore are not revenue in the fund financial statements.	3,900,058
Due to other funds not reported on the fund financial statements	450,848
Bank Installment Note is not reported on the fund financial statements .	(214,169)
Compressed Absences is not reported on the fund financial statements	(264,457)
<b>Net Position of Government-Wide</b>	<b>\$ 6,476,345</b>

ITASCA FIRE PROTECTION DISTRICT # 1  
All Governmental Fund Types  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended May 31, 2018

<u>Revenue</u>	Corporate	Ambulance	Other Governmental Funds	Capital/ Reserve Fund	Total
Property Tax	\$ 1,731,983	\$ 1,769,345	\$ 274,494		\$ 3,775,822
Replacement Tax	36,599				36,599
Service Fees	247,698	247,698			495,396
Interest	7,885	7,885			15,770
Grants	0	0			0
Miscellaneous	3,695	3,695			7,390
Total Revenue	2,027,860	2,028,623	274,494	0	4,330,977
<u>Expenditures</u>					
Salaries	1,533,797	1,533,797			3,067,594
Employee Benefits					
Health Insurance	313,259	313,259			626,518
Payroll Taxes	34,599	30,535			65,134
Training	8,069	6,069			12,138
Administration	53,913	53,915			107,828
Commodities - Equipment/Supplies					
Vehicle Expenses	33,048	33,048			66,096
Tools, Supplies, Other	17,353	17,353			34,706
Building Grounds	22,532	22,532			45,064
Clothing	14,730	14,730			29,460
Communications	22,925	22,925			45,850
Debt Service - Principal	31,761	31,761			63,522
Debt Service - Interest	3,282	3,282			6,564
Contracted Services			155,578		155,578
Risk Reduction Expenses			170,365		170,365
Total Expenditures	2,087,268	2,083,206	325,943	0	4,496,417
Excess (Deficiency) of revenues over expenditures before other financing	(59,408)	(54,583)	(51,449)	0	(165,440)
Other financing sources					
Transfers	120,000	90,000	45,000	(255,000)	0
Net Change in Fund Balance	60,592	35,417	(6,449)	(255,000)	(165,440)
Fund Balance					
Beginning of Year	166,071	108,563	14,743	255,000	544,377
End of Year	\$226,663	\$143,980	\$8,294	\$0	\$378,937

The accompanying notes are an integral part of this statement.

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended May 31, 2018**

<b>Net Change in Fund Balance - Total Governmental Funds</b> <b>(Statement of Revenues, Expenditures, and Changes in Fund Balances)</b>	<b>(165,440)</b>
<b>Amounts reported for governmental activities in the Statement of Activities</b> <b>are different because:</b>	
<b>Depreciation of Capital Assets is not considered an expenditure in the fund</b> <b>financial statements</b>	<b>(315,808)</b>
<b>Property taxes that do not provide current financial resources are not</b> <b>reported as revenue in the fund financial statements.</b>	<b>118,902</b>
<b>Installment Bank Notes proceeds are considered revenue in the</b> <b>fund financial statements.</b>	<b>-</b>
<b>Due to accounts not reported on the financial statements</b>	<b>452,093</b>
<b>Payments of bank note principal are considered an expenditure in the fund</b> <b>financial statements</b>	<b>63,522</b>
<b>Increase in compensated absences liability not reported as an expense</b> <b>in the fund financial statements.</b>	<b>(39,307)</b>
<b>Change in Net Position of Governmental Activities</b> <b>(Statement of Activities)</b>	<b>\$ 113,962</b>

The accompanying notes are an integral part of this statement.

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Statement of Fiduciary Net Position**  
**Firemen's Pension Fund**  
**May 31, 2018**

**ASSETS**

**Current Assets**

Cash & cash equivalents \$ 170,621

**Receivables**

Interest receivable 53,297

Employee receivable -

**Investments, at fair value**

U.S. Government Agencies 4,006,830

State Government Agencies 638,089

Mutual funds 9,859,566

Corporate Bonds 1,434,333

Total Investments 16,038,818

Total assets 16,262,736

**LIABILITIES**

**NET POSITION**

Held in trust for pension benefits and other purposes \$ 16,262,736

The accompanying notes are an integral part of this statement.

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Statement Changes in Fiduciary Net Position**  
**Firemen's Pension Fund**  
**For the Year Ended May 31, 2018**

<b>ADDITIONS:</b>	
Contributions	
Employer	
Property taxes	990,199
Plan members	198,248
Total contributions	<u>1,188,447</u>
Investment earnings (Loss)	
Net (decrease) in fair market value of investments	530,276
Gain (Loss) on sale of investments	31,206
Interest and dividends	742,520
Total investment earnings	<u>1,304,002</u>
Total additions	<u>2,492,449</u>
<b>DEDUCTIONS:</b>	
Payments to participants	624,084
Administrative fees	30,730
Total deductions	<u>654,794</u>
Change in net assets	1,837,655
Net position - beginning of year	14,425,081
Net position - end of year	<u><u>16,262,736</u></u>

The accompanying notes are an integral part of this statement

**Note 1 - Summary of Significant Accounting Policies**

The Itasca Fire Protection District #1 operates under a Board Manager form of government, providing fire protection and other services to the residents of Itasca.

The accounting and reporting policies of the District included in the accompanying general purpose financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

**(a) Principles Used to Determine the Scope of the Reporting Entity**

The reporting entity includes the governing board and all related organizations for which the District is financially accountable.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District appoints a majority of the organization's Governing Board and is able to control the operation, financial benefits are received, or financial burdens imposed.

The District has determined that no other outside agency meets the above criteria; therefore, no other agency has been included as a component unit in the District's financial statements.

**(b) Changes In Accounting Method**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The Itasca Fire Protection District #1 has implemented GASB 34 effective May 1, 2004. As a result, an entirely new financial format has been implemented.

The implementation of GASB 34 adds two "Government-Wide" financial statements as basic financial statements required for all government units. They are the Statement of Net Assets, which presents the financial condition of the government activities of the District at fiscal yearend, and the Statement of Activities, which presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

The reporting model for GASB 34 classifies funds as governmental activities, business activities, or fiduciary funds. Further, all non-fiduciary funds are classified as major or non-major funds. In reporting financial condition and results from operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Both new statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the District used the modified accrual basis of accounting. The modified accrual basis of accounting continues to be the appropriate basis of accounting for the governmental activity fund financial statements.

**(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 funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business type activities, when applicable. Governmental activities generally are financed through taxes. Business type activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues includes charges to residents who use or benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting 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.

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

### **Fund Financial Statements**

The fund financial statements of the reporting entity are organized into individual funds, each of which is considered a separate accounting entity. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or 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, proprietary, and fiduciary statements, when applicable. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

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

### **Governmental Funds (Governmental Activities)**

Governmental fund types are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon the determination of changes in financial position, rather than upon net income determination. The following are the District's governmental funds:

#### **Corporate Fund**

The Corporate Fund accounts for the revenues and expenditures which are used in providing services in the District except those required to be accounted for in other funds.

Ambulance Fund

The Ambulance Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Liability Insurance Fund

The liability insurance fund accounts for general liability, worker's compensation and unemployment compensation insurance expenditures. Financing is provided by an unlimited tax levy.

Social Security/Medicare Fund

This fund accounts for non-firemen pension and social security expenditures. Financing is provided by an unlimited tax levy.

Audit Fund

The Audit Fund accounts for the expenditures related to the annual audit of the District's books, records, and accounts. Financing is provided by a limited property tax levy.

**Fiduciary Fund**

Firemen's Pension Fund

The Firemen's Pension Fund is used to account for assets held in trust for the accumulation of resources to be used for future retirement payments to eligible participants. A separate board of trustees manages the fund. The measurement focus is upon determination of net income and financial maintenance.

**(d) Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both the governmental and business type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resource measurement focus and the modified accrual basis of accounting are followed by the governmental funds. Under the modified

accrual basis of accounting, revenues are recognized when susceptible to accrual, i. e., both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The District considers property taxes available if they are due and collected within 60 days after year end. Expenditures are recognized when the related fund liability is incurred, if measurable.

The District reports deferred revenues on its Statement of Net Assets and its Governmental Funds Balance Sheet. For government-wide financial statements, deferred revenues arise from taxes levied in the current year, which are for the subsequent year's operations. For the governmental fund financial statements, deferred revenues occur when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District before it has a legal claim to them. When both the revenue recognition criteria are met, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

**(e) Measurement Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business type activities, where applicable, are presented using the flow of economic resources measurement focus as defined below.

The measurement focus of all governmental and proprietary 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 the expendable available financial resources are included as liabilities in the government-wide and proprietary fund financial statements, but are excluded from the governmental funds financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

**(f) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/ expenses during the period. Actual results could differ from those estimates.

**(g) Budgetary Data**

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

- (1) Within or before the first quarter of each year, the Board of Trustees adopts the annual budget and appropriation ordinance.
- (2) The budget document is available for public inspection for at least thirty days prior to the Board of Trustees public hearing and the passage of the annual budget and appropriation ordinance. The Board of Trustees is also required to hold at least one public hearing on the budget.
- (3) Subsequent to the enactment of the annual budget and appropriation ordinance the Board of Trustees has the authority to make any necessary adjustments to the budget. There were no budget adjustments made during the year.

For each fund, total fund expenditures may not legally exceed the budgeted amounts. All appropriations lapse at year-end.

The budget was prepared on the modified accrual basis of accounting; the same basis used in the preparation of the District's general purpose financial statements.

**(h) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until that time. In addition to

ITASCA FIRE PROTECTION DISTRICT #1  
Notes to Financial Statements  
May 31, 2018

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liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**(i) Investments**

Investments are stated at cost, which approximates market value. Generally, the institutions in which investments are made must be approved by the Board of Trustees. All investments are made in accordance with Illinois law, which restricts the District to investing funds in specific types of investment instruments. The following are types of permitted instruments which the District has used:

- U.S. Government and U.S. agency obligations guaranteed by the United States
- The Illinois Governmental Cash Investment Fund
- Interest bearing savings accounts, certificates of deposit and time deposits insured by the Federal Deposit Insurance Corporation or fully collateralized

**(j) Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

**(k) Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Assets acquired are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not

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Notes to Financial Statements  
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capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Vehicles/Equipment	5-20 years
Office Equipment	3-10 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are recorded as expenditures in the fund from which they are purchased.

The cost of normal maintenance and repairs that do not add value to the asset or material extend asset lives are not capitalized.

**(l) Compensated Absences**

Under the terms of its union contract and employment agreements, the District's employees are granted vacation and sick pay in varying amounts based on the length of service. Vacation pay is to be taken in the calendar year it is earned. Sick pay can be accumulated and will be paid for employee sickness or upon the employee's retirement with a limitation depending on the length of service. The District has determined that as of May 31, 2018, the sick pay liability and vacation pay liability is \$264,457 for the government-wide financial statements. No current liability is recorded within the Governmental Funds.

**(m) Equity Classifications**

Government-wide Financial Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets – consists of capital assets, net of accumulated depreciation and related debt.
- Restricted net assets – consists of net assets 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 net assets – consists of all other net assets that do not meet the definition of restricted or invested in capital assets.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance may further be classified as reserved and unreserved.

**Note 2 - Cash and Investments**

Illinois Compiled Statutes (ILCS) and the District's investment policy authorize the District to make deposits/invest in insured commercial banks, savings and loan institutions, obligations to the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States 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 (a money market fund created by the State legislature under the control of the State Treasurer that maintains a \$1 share value).

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

**Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an independent third-party in the District's name.

**Investments**

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within the current period. The investment policy limits the maximum maturity length of investments for non-reserve funds to ten years for mortgage-backed securities and three years for non mortgage-backed securities from the date of purchase. In addition, the

ITASCA FIRE PROTECTION DISTRICT #1  
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average maturity for all mortgage-backed securities cannot exceed five years from the date of purchase.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a lack of diversification resulting in concentrated risk based on one type of investment. The District's investment policy requires diversification but does not contain specific diversification targets or limits.

**Note 3 - Capital Assets**

A summary of changes in the general fixed assets follows:

Category	Capital Assets 6/01/2017	Additions	Deletions	Capital Assets 5/31/2018
Assets not subject to depreciation				
Land	810,000			810,000
Assets subject to depreciation				
Buildings	3,588,453			3,588,453
Vehicles	2,705,881			2,705,881
Equipment	866,154			866,154
Office Equipment	70,627			70,627
Total	7,231,115			7,231,115
Less Accumulated Depreciation	5,555,463	264,342		5,819,805
Subtotal	1,675,652	264,342		1,411,310
Total Net Capital Assets	<u>2,485,652</u>	<u>264,342</u>	<u>0</u>	<u>2,221,310</u>

**Note 4 - Property Taxes**

The District must file its tax levy ordinance by the fourth Tuesday in December of each year. The District's property tax is levied each year on all taxable real property located in the District. The levy becomes an enforceable lien against the property as of January 1.

Property taxes are collected by the DuPage County Collector/ Treasurer who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments on approximately March 1 and September 1 in DuPage County.

The District receives significant distributions of tax receipts in the months of the due dates.

**Note 5 – Retirement Fund Commitments Firemen's Pension**

**Firefighters' Pension Plan**

**Plan Descriptions**

**Plan Administration.** The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The District accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board.

**Plan Membership.** At May 31, 2018, the measurement date, membership consisted of the following:

Retirees and beneficiaries receiving benefits	13
Active nonvested plan members	2
Vested Plan Members	<u>18</u>
Total	<u>33</u>

**ITASCA FIRE PROTECTION DISTRICT #1**  
**Notes to Financial Statements**  
**May 31, 2018**

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
5/31/2016	12,389,969	21,692,675	9,302,583	57.1%	2,582,918	360.16%
5/31/2017	14,425,082	24,420,907	9,995,825	59.1%	2,300,027	434.60%
5/31/2018	16,262,736	26,552,992	10,290,256	61.2%	2,084,608	493.63%

**Benefits Provided**

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes. The Firefighters' 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 service are entitled to receive an annual retirement benefit of ½ 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 firefighter 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.

NOTE 5 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS –  
Continued Firefighters' Pension Plan –

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for 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 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

**Contributions.** Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District #1 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 #1 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 #1's contribution was 48.33% of covered payroll.

ITASCA FIRE PROTECTION DISTRICT #1  
Notes to Financial Statements  
May 31, 2018

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**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of May 31, 2018, using the following actuarial methods and assumptions:

Actuarial Valuation Date	6/01/2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5- Year Smoothed Market Value
Actuarial Assumptions Interest Rate	6.50%
Salary Increases	4.25% - 12.70%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. These rates are Improved Generationally using MP-2016 Improvement Rates.

**ANNUAL PENSION COST AND NET PENSION OBLIGATION**      June 1, 2018

Annual required contribution	\$1,007,586
Annual pension cost	\$ 732,079

**Note 6 – Retirement Fund Commitments**  
**(a) Illinois Municipal Retirement Fund**

***Pension Plan***

*Plan Description.* The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute

ITASCA FIRE PROTECTION DISTRICT #1  
Notes to Financial Statements  
May 31, 2018

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and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained On-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2017 was 16.39 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for the calendar year 2017 was \$30,399. (If you made additional payment toward your unfunded amount, add this payment to you monthly contributions, based on payroll and recalculate the percentage of APC contributed.)

**Three-Year Trend Information for the Regular Plan**

Actuarial Valuation Date	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
12/31/17	30,399	100%	0
12/31/16	35,269	100%	0
12/31/15	32,889	100%	0

The required contribution for 2017 was determined as part of the December 31, 2015 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2015 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c ) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2015 is

ITASCA FIRE PROTECTION DISTRICT #1  
Notes to Financial Statements  
May 31, 2018

being amortized as a level percentage of projected payroll on an open 26 year basis.

*Funded Status and Funding Progress.* As of December 31, 2017, the most recent actuarial valuation date, the Regular plan was 29.90 percent funded. The actuarial accrued liability for benefits was \$351,049 and the actuarial value of assets was \$104,977, resulting in an under-funded actuarial accrued liability (UAAL) of \$246,072. The covered payroll for calendar year 2017 (annual payroll of active employees covered by the plan) was \$185,474 and the ratio of the UAAL to the covered payroll was 133 percent.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/17	104,977	351,049	246,072	29.90%	185,474	132.67%
12/31/16	214,790	495,278	280,488	43.37%	208,691	134.40%
12/31/15	163,871	434,988	271,117	37.67%	202,517	133.87%

On a market value basis, the actuarial value of assets as of December 31, 2017 is \$137,108. On a market basis, the funded ratio would be 39.06%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Itasca Fire Protection District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

ITASCA FIRE PROTECTION DISTRICT #1  
Notes to Financial Statements  
May 31, 2018

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**(b) Social Security/Medicare**

Employees not Qualifying for coverage under the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the year.

**Note 7 – 457 Plan**

The district has a 457 plan with the details laid out below. The data is from April 1, 2017 to March 31, 2018.

Beginning Investment Balance	\$2,448,859
Contributions	253,620
Transfers In	0
Investment Income	241,723
Withdrawals	(14,836)
Administrative Fees	(250)
Asseis Fees	(34,737)
Life Insurance Posted Only	(668)
Ending Investment Balance	<u>\$2,893,711</u>

**Note 8 – Foreign Fire Insurance Board**

During the year ended May 31, 2018, the District received \$38,781 of foreign fire insurance tax. Expenditures of this tax is overseen by a separate board of trustees.

Unexpended Funds May 31, 2017	\$91,202
Foreign Fire Insurance Tax	38,781
Interest Income	11
Risk Reduction Expenses	<u>(85,535)</u>
Unexpended Funds May 31, 2018	<u>\$44,459</u>

**Note 9 – Long Term Debt**

During the year ended May 31, 2015 the District obtained an installment bank loan for \$603,582 for the purchase of vehicles. Monthly payments are \$5,841 with an interest rate of 3.00%. Annual payments are \$70,087 with a June 10, 2024 maturity.

**Note 10 – Subsequent Events**

Management has evaluated subsequent events through November 27, 2018, the date that the financial statements were available to be issued. There were no such events to consider.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Corporate Fund**  
**Budgetary Comparison Statement**  
**For the Year Ended May 31, 2018**

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
<b>Revenue</b>				
Property Tax	\$ 1,747,361	\$ 1,747,361	\$ 1,731,983	\$ (15,378)
Replacement Tax	56,978	56,978	36,599	(20,379)
Service Fees	208,500	208,500	247,698	39,198
Interest	1,000	1,000	7,885	6,885
Grants	6,000	6,000	0	(6,000)
Miscellaneous	100	100	3,695	3,595
	<u>2,019,939</u>	<u>2,019,939</u>	<u>2,027,860</u>	<u>7,921</u>
<b>Expenditures</b>				
SALARIES	1,658,652	1,658,652	1,533,797	(124,855)
EMPLOYEE BENEFITS				
HEALTH INSURANCE	0	0	313,259	313,259
PAYROLL TAXES	0	0	34,599	34,599
TRAINING	23,962	23,962	6,069	(17,893)
ADMINISTRATION	66,984	66,984	53,799	(13,185)
COMMODITIES(EQUIP/SUPP)				
VEHICLE EXPENSES	63,916	63,916	33,048	(30,868)
TOOLS,SUPPLIES,OTHER	58,712	58,712	17,353	(41,359)
BUILDING,GROUNDS	31,008	31,008	22,532	(8,476)
CLOTHING	16,500	16,500	14,730	(1,770)
COMMUNICATIONS	43,727	43,727	22,925	(20,802)
DEBT SERVICE-PRINCIPAL	54,895	54,895	31,761	(23,134)
DEBT SERVICE-INTEREST	6,683	6,683	3,282	(3,401)
CAPITALS				
CONTINGENCY	12,318	12,318	114	(12,204)
	<u>2,037,357</u>	<u>2,037,357</u>	<u>2,087,268</u>	<u>49,911</u>
Excess (Deficiency) of revenues over expenditures before other financing	<u>(17,418)</u>	<u>(17,418)</u>	(59,408)	(41,990)
<b>Other financing sources</b>				
Transfer in			120,000	
Transfer out				
Net Change in Fund Balance			<u>60,592</u>	
<b>Fund Balance</b>				
Beg of Year			166,071	
End of Year			<u>\$ 226,663</u>	

The accompanying notes are an integral part of this statement.

ITASCA FIRE PROTECTION DISTRICT # 1  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Ambulance Fund  
Budgetary Comparison Statement  
For the Year Ended May 31, 2018

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
				Final Budget
<b>Revenue</b>				
Property Tax	\$ 1,784,891	\$ 1,784,891	\$ 1,769,345	\$ (15,546)
Service Fees	208,500	208,500	247,698	39,198
Interest	1,000	1,000	7,885	6,885
Grants	6,000	6,000	0	(6,000)
Other	869,104	869,104	3,695	(865,409)
	<u>2,869,495</u>	<u>2,869,495</u>	<u>2,028,623</u>	<u>(840,872)</u>
<b>Expenditures</b>				
SALARIES	1,658,652	1,658,652	1,533,797	(124,855)
EMPLOYEE BENEFITS				
HEALTH INSURANCE	0	0	313,259	313,259
PAYROLL TAXES	0	0	30,535	30,535
TRAINING	23,962	23,962	6,069	(17,893)
ADMINISTRATION	66,984	66,984	53,801	(13,183)
COMMODITIES(EQUIP/SUPP)				
VEHICLE EXPENSES	63,916	63,916	33,048	(30,868)
TOOLS,SUPPLIES,OTHER	58,712	58,712	17,353	(41,359)
BUILDING,GROUND	31,008	31,008	22,532	(8,476)
CLOTHING	16,500	16,500	14,730	(1,770)
INSURANCE	438,600	438,600		(438,600)
COMMUNICATIONS	43,727	43,727	22,925	(20,802)
DEBT SERVICE-PRINCIPAL	54,895	54,895	31,761	(23,134)
DEBT SERVICE-INTEREST	6,683	6,683	3,282	(3,401)
CAPITALS				
CONTINGENCY	12,318	12,318	114	(12,204)
	<u>2,475,957</u>	<u>2,475,957</u>	<u>2,083,206</u>	<u>(392,751)</u>
<b>Excess (Deficiency) of revenues over expenditures before other financing</b>	<u>393,538</u>	<u>393,538</u>	<u>(54,583)</u>	<u>448,121</u>
<b>Other financing sources</b>				
Transfers			90,000	
<b>Net Change in Fund Balance</b>			<u>35,417</u>	
<b>Fund Balance</b>				
Beg of Year			108,563	
End of Year			<u>\$ 143,980</u>	

The accompanying notes are an integral part of this statement.

ITASCA FIRE PROTECTION DISTRICT # 1  
 Non Major Funds  
 Balance Sheet  
 May 31, 2018

	Special Revenue			
	Liability Insurance	IMRF Social Security Medicare	Audit	Total
<b>Assets</b>				
Cash	\$ 46,481	\$ 11,613	\$ 3,821	\$ 61,915
Receivable; Property taxes	229,737	33,120	3,860	\$ 266,717
Due from other funds				\$ -
Prepaid Expenses	3,075			\$ 3,075
<b>Total Assets</b>	<b>\$ 279,293</b>	<b>\$ 44,733</b>	<b>\$ 7,681</b>	<b>\$ 331,707</b>
<b>Liabilities</b>				
Due TO Other Funds	\$ 50,000	\$ 848		\$ 50,848
Deferred tax revenue	\$ 229,737	\$ 33,120	3,860	266,717
<b>Total Liabilities</b>	<b>279,737</b>	<b>33,968</b>	<b>3,860</b>	<b>317,565</b>
<b>Fund Balance</b>				
Undesignated - special revenue	(444)	10,765	3,821	14,142
<b>Total Fund Balances</b>	<b>(444)</b>	<b>10,765</b>	<b>3,821</b>	<b>14,142</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 279,293</b>	<b>\$ 44,733</b>	<b>\$ 7,681</b>	<b>\$ 331,707</b>

The accompanying notes are an integral part of this statement

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Non Major Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended May 31, 2018**

<u>Revenue</u>	<u>Special Revenue</u>			<u>Total</u>
	<u>Liability Insurance</u>	<u>Illinois Municipal Retirement</u>	<u>Audit</u>	
Property Tax	\$ 237,895	\$ 32,787	\$ 3,812	\$ 274,494
<u>Expenditures</u>				
Contracted Services	132,185	23,393	0	155,578
Risk Reduction Expenses	170,365			170,365
	302,550	23,393	0	325,943
Excess (deficiency) of revenue over expenditures	(64,655)	9,394	3,812	(51,449)
Net Change in Fund Balance	(64,655)	9,394	3,812	(51,449)
Transfers	50,000	848		50,848
Fund balance - Beginning of Year	14,211	523	9	14,743
End of Year	\$ (444)	\$ 10,765	\$ 3,821	\$ 14,142

The accompanying notes are an integral part of this statement

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Liability Insurance Fund**  
**Budgetary Comparison Statement**  
**For the Year Ended May 31, 2018**

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
<b>Revenue</b>				
Property Taxes	\$ 240,083	\$ 240,083	\$ 237,895	\$ (2,188)
<b>Expenditures</b>				
Contractual Services	225,000	225,000	132,185	(92,815)
Risk Reduction Expenses	135,000	135,000	170,365	35,365
	<u>360,000</u>	<u>360,000</u>	<u>302,550</u>	<u>(57,450)</u>
<b>Excess Revenue (Expenditures)</b>	<u>(119,917)</u>	<u>(119,917)</u>	<u>(64,655)</u>	<u>55,262</u>
<b>Due to Other Funds</b>			50,000	
<b>Fund Balance</b>				
Beg of Year			14,211	
End of Year			<u>\$ (444)</u>	

The accompanying notes are an integral part of this statement.

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Illinois Municipal Retirement Fund**  
**Budgetary Comparison Statement**  
**For the Year Ended May 31, 2018**

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Property Taxes	\$ 33,115	\$ 33,115	\$ 32,787	\$ (328)
<b>Expenditures</b>				
Contributions	111,928	111,928	23,393	(88,535)
Excess Revenue (Expenditures)	<u>\$ (78,813)</u>	<u>\$ (78,813)</u>	9,394	<u>\$ (88,207)</u>
Transfer			848	
<b>Fund Balance</b>				
Beg of Year			523	
End of Year			<u>\$ 10,765</u>	

The accompanying notes are an integral part of this statement.

**ITASCA FIRE PROTECTION DISTRICT # 1**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Audit Fund**  
**Budgetary Comparison Statement**  
**For the Year Ended May, 2018**

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Property Taxes	\$ 3,863	\$ 3,863	\$ 3,812	\$ (51)
<b>Expenditures</b>				
Contractual Services	4,200	4,200	0	(4,200)
Excess Revenue (Expenditures)	<u>\$ (337)</u>	<u>\$ (337)</u>	3,812	<u>\$ (4,251)</u>
<b>Fund Balance</b>				
Beg of Year			9	
End of Year			<u>\$ 3,821</u>	

The accompanying notes are an integral part of this statement.

**ITASCA FIRE PROTECTION DISTRICT #1**  
**SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND EXTENSIONS**  
 May 31, 2018

	2017	2018	2018	2014	2013	2012	2011	2010	2009	2008
<b>ASSESSED VALUATION</b>	\$ 593,897,128	\$ 651,914,354	\$ 620,827,788	\$ 484,310,737	\$ 500,315,938	\$ 536,172,571	\$ 589,982,848	\$ 644,717,545	\$ 716,230,265	\$ 711,202,983
<b>TAX RATES</b>										
CORPORATE	0.3062	0.3233	0.3263	0.3775	0.3832	0.3934	0.3702	0.3704	0.3487	0.3448
AMBULANCE	0.3052	0.3234	0.3252	0.3788	0.3587	0.2878	0.2358	0.1841	0.1488	0.1438
IMRF	0.0067	0.0080	0.0084	0.0070	0.0087	0.0000	0.0000	0.0000	0.0000	0.0063
AUDIT	0.0007	0.0007	0.0007	0.0008	0.0000	0.0000	0.0000	0.0000	0.0000	0.0002
LIABILITY INSURANCE	0.0388	0.0435	0.0728	0.1118	0.0817	0.0321	0.0241	0.0188	0.0162	0.0148
PENSION	0.1710	0.1821	0.1717	0.1878	0.1680	0.1188	0.0937	0.0785	0.0643	0.0628
<b>TOTAL</b>	<b>0.8277</b>	<b>0.8590</b>	<b>0.8018</b>	<b>0.9434</b>	<b>0.8973</b>	<b>0.8216</b>	<b>0.7235</b>	<b>0.5468</b>	<b>0.5751</b>	<b>0.5713</b>
<b>TAX EXTENSIONS</b>										
CORPORATE	\$ 1,812,544	\$ 1,784,338	\$ 1,893,277	\$ 1,828,273	\$ 1,917,211	\$ 2,055,886	\$ 2,180,451	\$ 2,358,034	\$ 2,482,868	\$ 2,450,805
AMBULANCE	1,812,544	1,784,881	1,882,768	1,348,806	1,284,517	1,541,488	1,367,887	1,188,825	1,057,533	1,022,710
IMRF	33,862	33,115	33,314	33,802	28,518	0	0	0	0	37,884
AUDIT	4,157	3,863	3,844	3,874	0	0	0	0	0	1,422
LIABILITY INSURANCE	238,881	240,883	377,803	841,488	488,780	172,111	141,847	121,207	107,855	103,838
PENSION	1,015,547	884,863	893,746	812,673	780,488	635,881	651,886	493,208	456,878	448,835
<b>TOTAL</b>	<b>\$ 4,915,504</b>	<b>\$ 4,740,844</b>	<b>\$ 4,684,640</b>	<b>\$ 4,589,887</b>	<b>\$ 4,489,336</b>	<b>\$ 4,405,184</b>	<b>\$ 4,261,951</b>	<b>\$ 4,189,375</b>	<b>\$ 4,084,634</b>	<b>\$ 4,063,103</b>
<b>TAX COLLECTIONS</b>	<b>\$4,831,678</b>	<b>\$4,898,208</b>	<b>\$4,852,222</b>	<b>\$4,541,288</b>	<b>\$4,374,557</b>	<b>\$ 4,325,784</b>	<b>\$ 4,212,881</b>	<b>\$4,173,784</b>	<b>\$4,053,273</b>	<b>\$4,040,732</b>
<b>PERCENT COLLECTED</b>	<b>98.28%</b>	<b>99.12%</b>	<b>99.31%</b>	<b>99.40%</b>	<b>97.44%</b>	<b>98.20%</b>	<b>98.84%</b>	<b>98.83%</b>	<b>99.22%</b>	<b>99.15%</b>