

RUTLAND-DUNDEE TOWNSHIP
FIRE PROTECTION DISTRICT
GILBERTS, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6 - 7
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities.....	8
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	9 - 10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities.....	11
Statement of Fiduciary Net Position	12
Statement of Changes in Fiduciary Net Position	13
Notes to the Financial Statements.....	14 - 34
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Firefighters' Pension Fund.....	35
Schedule of Changes in the Employer's Net Pension Liability	
Firefighters' Pension Fund.....	36 - 37
Schedule of Investment Returns	
Firefighters' Pension Fund.....	38
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	39
Ambulance – Special Revenue Fund	40

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Capital Improvements – Capital Projects Fund	41
Combining Balance Sheet – Nonmajor Governmental Funds	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds.....	43
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Liability Insurance – Special Revenue Fund	44
Social Security/Medicare – Special Revenue Fund	45
Audit – Special Revenue Fund	46
Schedule of Changes in Net Position – Budget and Actual	
Firefighters’ Pension – Pension Trust Fund.....	47
Schedule of Changes in Assets and Liabilities – Foreign Fire Insurance – Agency Fund	48
SUPPLEMENTAL SCHEDULE	
Schedule of Assessed Valuations, Tax Rates and Extensions	
Last Ten Tax Levy Years.....	49 - 50

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

July 19, 2018

Members of the Board of Trustees
Rutland-Dundee Township Fire Protection District
Gilberts, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rutland-Dundee Fire Protection District, Illinois, as of and for the year ended April 30, 2018, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rutland-Dundee Fire Protection District, Illinois, as of April 30, 2018, and the respective changes in financial position for the year then ended in accordance 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 as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rutland-Dundee Fire Protection District, Illinois' basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedule, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 and individual fund financial statements and budgetary comparison schedules and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2018

Our discussion and analysis of the Rutland-Dundee Township Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended April 30, 2018. Please read it in conjunction with District's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The District's total assets/deferred outflows exceeded its total liabilities/deferred inflows at the close of the most recent fiscal year by \$2,463,063.
- The District's total net position increased \$134,131 resulting in ending net position of \$2,328,932.
- Property taxes collected were \$2,375,596 compared to the prior year of \$2,357,502 for an increase of \$18,094.
- At April 30, 2018, the District's governmental funds reported combined ending fund balances of \$1,790,692, a decrease of \$53,994 from the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 5) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 5. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

The government-wide financial statements provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 3 - 5 of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, 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 is improving or deteriorating.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2018

USING THIS ANNUAL REPORT – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The District's governmental activities are supported by taxes and other general revenues. All governmental activities are reported as public safety activities.

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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the District's near-term financing requirements.

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 the comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Ambulance Fund, and Capital Improvements Fund, all of which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report.

The basic governmental fund financial statements can be found on pages 6 - 11 of this report.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2018

USING THIS ANNUAL REPORT – Continued

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 12 - 13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 - 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 35 - 40 of this report. The budgetary comparison schedules referred to earlier can be found on pages 41 - 48.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$2,463,063 during the year. Total revenues were \$2,713,004, while total expenses were \$2,578,873.

The largest portion of the District's net position, \$1,988,053, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$430,019, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$44,991 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental funds reported ending fund balances of \$1,790,692. Of this total, \$1,360,673 is unrestricted and \$430,019 is restricted.

The General and Ambulance Funds are the primary operating funds of the District.

The fund balance of the General Fund (Corporate and Fire funds combined) at April 30, 2018 is \$265,731 and the Ambulance Fund's fund balance is \$349,026. From a reserve policy standpoint, the District combines the General Fund and Ambulance Fund to assess reserve targets. At April 30, 2018, the General Fund has \$32,000 in fund balance and \$180,000 in operating reserves and the Ambulance Fund has \$48,000 in fund balance and \$270,000 in operating reserves. Also, at April 30, 2018, the General Fund and the Ambulance Fund had no allocations to the pension reserve. The General Fund and Ambulance Fund fund balances decreased by \$11,548 and \$60,788, respectively, due mainly to pension contribution expenditures coming in over budget.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District Board did not make any subsequent changes to the General Fund budget once it was approved. Actual revenues of \$1,141,100 were \$326,830 higher than budgeted revenues of \$814,270. Actual revenues were higher than budgeted revenues in all areas, except for foreign fire insurance tax. Property taxes and charges for services were the most significant. Property taxes were \$281,005 higher than budgeted (\$1,012,937 actual compared to \$731,932 budgeted) and charges for services were also over budget by \$38,500 (\$100,023 actual compared to \$61,523 budgeted.)

Actual expenditures of \$1,163,042 were \$17,093 higher than budgeted expenditures of \$1,145,949 due primarily to the pension contributions being over budget by \$17,165

DEBT ADMINISTRATION

At the end of the fiscal year, the District has no outstanding debt. The District does not have any bonded debt or capital leases.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2018

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of April 30, 2018 was \$1,988,053 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings, and machinery and equipment.

Additional information on the District's capital assets can be found in note 3 on page 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's elected officials considered many factors when setting the fiscal-year 2019 budget, tax rates, and fees that will be charged for its governmental activities, including the change in the CPI, unemployment rates and other economic factors.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Rutland-Dundee Township Fire Protection District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Rutland-Dundee Township Fire Protection District, P.O. Box 203, 11 E. Higgins Road, Gilberts, IL 60136.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Net Position - Governmental Activities
April 30, 2018**

ASSETS	
Current Assets	
Cash and Investments	\$ 1,765,968
Receivables - Net of Allowances	
Property Taxes	2,529,760
Accounts	134,400
Prepays	<u>28,384</u>
Total Current Assets	<u>4,458,512</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	39,000
Depreciable	3,765,352
Accumulated Depreciation	<u>(1,816,299)</u>
Total Capital Assets	<u>1,988,053</u>
Total Assets	6,446,565
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - Firefighters' Pension	<u>562,570</u>
Total Assets and Deferred Outflows of Resources	<u>7,009,135</u>

The accompanying notes to the financial statements are an integral part of this statement.

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 80,802
Accrued Payroll	57,258
Compensated Absences Payable	27,010
Total Current Liabilities	<u>165,070</u>
Noncurrent Liabilities	
Compensated Absences Payable	108,038
Net Pension Liability - Firefighters' Pension	1,565,238
Total Noncurrent Liabilities	<u>1,673,276</u>
Total Liabilities	<u>1,838,346</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	2,529,760
Deferred Items - Firefighters' Pension	177,966
Total Deferred Inflows of Resources	<u>2,707,726</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>4,546,072</u>

NET POSITION

Investment in Capital Assets	1,988,053
Restricted - Property Tax Levies	
Ambulance	342,482
Liability Insurance	38,112
Social Security/Medicare	41,795
Audit	7,630
Unrestricted	<u>44,991</u>
 Total Net Position	 <u>2,463,063</u>

The accompanying notes to the financial statements are an integral part of this statement.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2018

See Following Page

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2018

	<u>General</u>
ASSETS	
Cash and Investments	\$ 262,833
Receivables - Net of Allowances	
Property Taxes	1,089,348
Accounts	53,760
Prepays	<u>4,363</u>
 Total Assets	 <u><u>1,410,304</u></u>
LIABILITIES	
Accounts Payable	12,321
Accrued Payroll	22,904
Due to Other Funds	<u>20,000</u>
Total Liabilities	55,225
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>1,089,348</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>1,144,573</u></u>
FUND BALANCES	
Nonspendable	4,363
Restricted	-
Assigned	-
Unassigned	<u>261,368</u>
Total Fund Balance	<u><u>265,731</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>1,410,304</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

<u>Special Revenue</u> Ambulance	<u>Capital Projects</u> Capital Improvements	Nonmajor	Totals
344,677	1,070,921	87,537	1,765,968
1,194,509	-	245,903	2,529,760
80,640	-	-	134,400
6,544	-	17,477	28,384
<u>1,626,370</u>	<u>1,070,921</u>	<u>350,917</u>	<u>4,458,512</u>
18,481	-	-	30,802
34,354	-	-	57,258
30,000	-	-	50,000
82,835	-	-	138,060
1,194,509	-	245,903	2,529,760
<u>1,277,344</u>	<u>-</u>	<u>245,903</u>	<u>2,667,820</u>
6,544	-	17,477	28,384
342,482	-	87,537	430,019
-	1,070,921	-	1,070,921
-	-	-	261,368
349,026	1,070,921	105,014	1,790,692
<u>1,626,370</u>	<u>1,070,921</u>	<u>350,917</u>	<u>4,458,512</u>

The accompanying notes to the financial statements are an integral part of this statement.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

April 30, 2018

Total Governmental Fund Balances \$ 1,790,692

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets are not financial resources and therefore,
are not reported in the funds. 1,988,053

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.
Deferred Items - Firefighters' Pension 384,604

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.
Compensated Absences Payable (135,048)
Net Pension Liability - Firefighters' Pension (1,565,238)

Net Position of Governmental Activities 2,463,063

The accompanying notes to the financial statements are an integral part of this statement.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2018**

See Following Page

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2018**

	<u>General</u>
Revenues	
Taxes	\$ 1,023,196
Charges for Services	100,023
Grants and Donations	8,436
Interest	4,546
Miscellaneous	4,899
Total Revenues	<u>1,141,100</u>
Expenditures	
Current	
Public Safety	1,084,028
Capital Outlay	79,014
Total Expenditures	<u>1,163,042</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(21,942)</u>
Other Financing Sources (Uses)	
Transfers In	10,394
Transfers Out	-
	<u>10,394</u>
Net Change in Fund Balance	(11,548)
Fund Balance - Beginning	<u>277,279</u>
Fund Balance - Ending	<u><u>265,731</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

<u>Special Revenue</u> Ambulance	<u>Capital Projects</u> Capital Improvements	Nonmajor	Totals
1,109,508	-	268,538	2,401,242
150,037	17,000	-	267,060
12,653	-	-	21,089
6,820	-	-	11,366
7,348	-	-	12,247
1,286,366	17,000	268,538	2,713,004
1,244,225	-	241,211	2,569,464
118,520	-	-	197,534
1,362,745	-	241,211	2,766,998
(76,379)	17,000	27,327	(53,994)
15,591	-	-	25,985
-	(25,985)	-	(25,985)
15,591	(25,985)	-	-
(60,788)	(8,985)	27,327	(53,994)
409,814	1,079,906	77,687	1,844,686
349,026	1,070,921	105,014	1,790,692

The accompanying notes to the financial statements are an integral part of this statement.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended April 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (53,994)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	170,854
Depreciation Expense	(113,294)

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - Firefighters' Pension	(57,930)
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The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

(Additions) to Compensated Absences Payable	(16,778)
Deductions in Net Pension Liability - Firefighters' Pension	<u>205,273</u>

Changes in Net Position of Governmental Activities 134,131

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Statement of Net Position - Fiduciary Funds

April 30, 2018

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 398,507	47,437
Investments		
U.S. Agency Obligations	842,316	-
State and Local Obligations	178,831	-
Corporate Bonds	765,290	-
Mutual Funds	1,825,735	-
Accrued Interest	23,548	-
Due from Other Funds	<u>50,000</u>	<u>-</u>
Total Assets	<u>4,084,227</u>	<u>47,437</u>
LIABILITIES		
Deposits Payable	<u>-</u>	<u>47,437</u>
Total Liabilities	<u>-</u>	<u>47,437</u>
NET POSITION		
Held in Trust for Pension Benefits	<u>4,084,227</u>	

The accompanying notes to the financial statements are an integral part of this statement.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Changes in Net Position - Fiduciary Fund
For the Fiscal Year Ended April 30, 2018**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 483,161
Contributions - Plan Members	<u>64,961</u>
Total Contributions	<u>548,122</u>
Investment Income	
Interest Earned	105,730
Net Change in Fair Value	<u>100,091</u>
	205,821
Less Investment Expenses	<u>(15,417)</u>
Net Investment Income	<u>190,404</u>
Total Additions	<u>738,526</u>
Deductions	
Administration	13,977
Benefits and Refunds	<u>124,690</u>
Total Deductions	<u>138,667</u>
Change in Net Position	599,859
Net Position Restricted for Pensions	
Beginning	<u>3,484,368</u>
Ending	<u><u>4,084,227</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rutland-Dundee Township Fire Protection District (District) operates under a Board-Manager form of government, providing the protection and other services to the residents of Rutland and Dundee Townships.

The government-wide financial statements of the Rutland-Dundee Township Fire Protection District, Illinois are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

The District's financial reporting entity comprises the following:

Primary Government:	Rutland-Dundee Township Fire Protection District
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In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Firefighters' Pension Employees Retirement System

The District's sworn Firefighters' employees participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the District's President, one elected pension beneficiary and two elected Firefighters constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the District is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the District is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the District, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the District's Firefighters' employees. The FPERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type. The District's public safety and general administrative services are classified as governmental activities.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the government-wide Statement of Net Position, the governmental activities are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets, restricted, and unrestricted.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures. Funds are organized into two major categories: governmental and fiduciary.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District maintains the following governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains four special revenue funds. The Ambulance Fund, a major fund, is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The District maintains one capital projects fund. The Capital Improvements Fund, a major fund, accounts for the acquisition and improvement of District property including infrastructure and general capital assets.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to full-accrual basis.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Firefighters' Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the annual property tax levy and investment income.

Agency funds are used to account for assets held by the District in a purely custodial capacity. The District's Foreign Fire Insurance Fund is used to account for money paid to the District for foreign fire insurance taxes.

Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. All pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows are incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.”

Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All pension trust and agency funds utilize 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 economic asset used.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds’ Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Cash and Investments – Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and grants.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	40 Years
Vehicles	10 - 20 Years
Equipment	10 - 15 Years
Furniture and Fixtures	5 - 20 Years

Compensated Absences

The District accrues accumulated unpaid sick time and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All sick time pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the public safety function.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed as follows:

Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	4/30/18
General	\$ 17,093
Ambulance	15,072

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services. The Pension Fund may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks.

The deposits and investments of the Pension Fund are held separately from those of other District funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to fifty-five percent of the plan net

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

District – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the District's deposits totaled \$1,765,968 and the bank balances totaled \$1,779,127.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not address interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the District's investment policy does not address further limiting its investment choices.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank 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. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not mitigate custodial credit risk for investments.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address concentration of credit risk. At year-end, the District's did not have any investments that represent more than 5% of the total cash and investment portfolio.

Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$398,507 and the bank balances totaled \$398,507.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments. The fair value and maturities of the Fund’s investments at year-end are as follows:

	Fair Value	Investment Maturities (in Years)			
		< 1	1 to 5	6 to 10	> 10
U.S. Agency Obligations	\$ 842,316	20,304	498,857	323,155	-
State and Local Obligations	178,831	-	178,831	-	-
Corporate Bonds	765,290	101,908	539,931	123,451	-
	1,786,437	122,212	1,217,619	446,606	-

The Fund has the following recurring fair value measurements as of April 30, 2018:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Agencies	\$ 842,316	-	842,316	-
State and Local Obligations	178,831	-	178,831	-
Corporate Bonds	765,290	-	765,290	-
Equity Securities				
Mutual Funds	1,825,735	1,825,735	-	-
Total Investments by Fair Value Level	3,612,172	1,825,735	1,786,437	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Interest Rate Risk. The Fund’s investment policy requires that assets shall be sufficiently liquid to meet the Fund’s disbursement requirements for the payment of operating expenses and benefits.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. The Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.4(a). The U.S. Agency Obligations were not rated at year-end, The State and Local Obligations were rated Aa2 to AA+ by Moody’s and Standard and Poor’s. The Corporate Bonds were rated A1 to Baa2 by Moody’s.

Custodial Credit Risk. It is the policy of the Fund to require that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

For investments, the Fund’s investment policy does not address custodial credit risk.

Concentration Credit Risk. It is the policy of the fund that deposits in banks or institutions shall not exceed 50% of the institution’s capital stock and surplus at the time the deposit is made. At year-end, the District does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). At year-end, the Pension Fund has \$1,825,735 invested in mutual funds.

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	90.00%	4.30% - 11.90%
Domestic Equities	7.50%	7.50% - 10.70%
International Equities	2.50%	7.80%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Credit Risk – Continued. The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in May 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of April 30, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

INTERFUND BALANCES

Interfund balances are advances in anticipation of additional contributions. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Firefighters' Pension	General	\$ 20,000
Firefighters' Pension	Ambulance	<u>30,000</u>
		<u><u>50,000</u></u>

INTERFUND TRANSFERS

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Capital Improvements	\$ 10,394
Ambulance	Capital Improvements	<u>15,591</u>
		<u><u>25,985</u></u>

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 39,000	-	-	39,000
Depreciable Capital Assets				
Buildings	924,381	121,050	-	1,045,431
Vehicles	2,373,398	-	-	2,373,398
Equipment	241,951	49,804	-	291,755
Furniture and Fixtures	54,768	-	-	54,768
	<u>3,594,498</u>	<u>170,854</u>	<u>-</u>	<u>3,765,352</u>
Less Accumulated Depreciation				
Buildings	476,659	15,262	-	491,921
Vehicles	1,030,362	91,024	-	1,121,386
Equipment	141,216	7,008	-	148,224
Furniture and Fixtures	54,768	-	-	54,768
	<u>1,703,005</u>	<u>113,294</u>	<u>-</u>	<u>1,816,299</u>
Total Net Depreciable Capital Assets	<u>1,891,493</u>	<u>57,560</u>	<u>-</u>	<u>1,949,053</u>
Total Net Capital Assets	<u>1,930,493</u>	<u>57,560</u>	<u>-</u>	<u>1,988,053</u>

Depreciation expense of \$113,294 was charged to public safety function.

LONG-TERM DEBT

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 118,270	33,556	16,778	135,048	27,010
Net Pension Liability					
Firefighters' Pension	1,770,511	-	205,273	1,565,238	-
	<u>1,888,781</u>	<u>33,556</u>	<u>222,051</u>	<u>1,700,286</u>	<u>27,010</u>

The compensated absences and the net pension liability are liquidated by the General and Ambulance Funds.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES

Net Position Classifications

The investment in capital assets was comprised of the following as of April 30, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 1,988,053</u>

Fund Balance Classifications

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. 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 Fund Balance. 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 or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the 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 Fund Balance. Consists of 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 specific purpose.

Unassigned Fund Balance. Consists of 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.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES – Continued

Fund Balance Classifications – Continued

Minimum Fund Balance Policy. The District’s policy manual states that the General Fund should maintain a minimum unassigned fund balance no less than three months and no more than six months of next year’s budgeted operating expenditures. Fund balance in excess of the maximum level may be committed or assigned to future capital projects or other needs of the District at the discretion of the Board.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Ambulance	Capital Projects Capital Improvements	Nonmajor	Totals
Fund Balances					
Nonspendable					
Prepays	\$ 4,363	6,544	-	17,477	28,384
Restricted					
Property Tax Levies					
Ambulance	-	342,482	-	-	342,482
Liability Insurance	-	-	-	38,112	38,112
Social Security/Medicare	-	-	-	41,795	41,795
Audit	-	-	-	7,630	7,630
	-	342,482	-	87,537	430,019
Assigned					
Capital Projects	-	-	1,070,921	-	1,070,921
Unassigned	261,368	-	-	-	261,368
Total Fund Balances	265,731	349,026	1,070,921	105,014	1,790,692

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, in May and

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

September. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the District's employees. These risks are provided for through insurance from private insurance companies. The District currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

POST-EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, there is minimal participation. As the District provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. Therefore, the District has not recorded a liability as of April 30, 2018.

CONTINGENT LIABILITIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Litigation

The District is currently not involved in any litigation.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

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 Firefighters’ Pension Plan as a pension trust fund. The Firefighters’ Pension Plan is governed by a five-member pension board. Two members of the Board are appointed by the District President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

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

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>8</u>
Total	<u><u>12</u></u>

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 creditable 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.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the 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 ½ 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., ½ 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 firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ 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 is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the District to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2018, the District's contribution was 72.68% of covered payroll.

Significant Investments. At year-end, the District does not have any investments over 5 percent of plan net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	4.00% - 6.89%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the assumption study prepared by an independent actuary in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Discount Rate

The discount rate used to measure the total pension liability was 6.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Firefighters’ Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 2,558,394	1,565,238	774,312

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 5,254,879	3,484,368	1,770,511
Changes for the Year:			
Service Cost	217,476	-	217,476
Interest on the Total Pension Liability	311,552	-	311,552
Difference Between Expected and Actual Experience of the Total Pension Liability	(9,752)	-	(9,752)
Changes of Assumptions	-	-	-
Contributions - Employer	-	483,161	(483,161)
Contributions - Employees	-	64,961	(64,961)
Net Investment Income	-	190,404	(190,404)
Benefit Payments, including Refunds of Employee Contributions	(124,690)	(124,690)	-
Other (Net Transfer)	-	(13,977)	13,977
Net Changes	394,586	599,859	(205,273)
Balances at April 30, 2018	5,649,465	4,084,227	1,565,238

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Firefighters’ Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2018, the District recognized pension expense of \$335,818. At April 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 342,523	(8,756)	333,767
Change in Assumptions	129,972	(158,935)	(28,963)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	90,075	(10,275)	79,800
Total Deferred Amounts Related to Firefighters' Pension	<u>562,570</u>	<u>(177,966)</u>	<u>384,604</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2019	\$ 79,120
2020	79,120
2021	46,462
2022	49,882
2023	43,696
Thereafter	<u>86,324</u>
Total	<u>384,604</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
Firefighters' Pension Fund
- Schedule of Investment Returns
Firefighters' Pension Fund
- Budgetary Comparison Schedule
General Fund
Ambulance – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2018

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 154,293	\$ 226,822	\$ 72,529	\$ 537,628	42.19%
2016	202,350	236,573	34,223	484,338	48.84%
2017	224,722	266,495	41,773	643,859	41.39%
2018	244,575	483,161	238,586	664,785	72.68%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00% - 6.89%
Investment Rate of Return	6.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 Illinois Firefighters Mortality Rates

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 202,468
Interest	228,101
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(90,584)</u>
Net Change in Total Pension Liability	339,985
Total Pension Liability - Beginning	<u>3,756,401</u>
Total Pension Liability - Ending	<u><u>4,096,386</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 226,822
Contributions - Members	51,166
Net Investment Income	108,997
Benefit Payments, Including Refunds of Member Contributions	(118,234)
Administrative Expense	<u>(34,817)</u>
Net Change in Plan Fiduciary Net Position	233,934
Plan Net Position - Beginning	<u>2,678,321</u>
Plan Net Position - Ending	<u><u>2,912,255</u></u>
Employer's Net Pension Liability	<u><u>\$ 1,184,131</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.09%
Covered Payroll	\$ 537,628
Employer's Net Pension Liability as a Percentage of Covered Payroll	220.25%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018
187,459	205,166	217,476
242,209	299,188	311,552
456,656	24,695	(9,752)
183,831	(199,689)	-
(119,145)	(121,877)	(124,690)
951,010	207,483	394,586
4,096,386	5,047,396	5,254,879
5,047,396	5,254,879	5,649,465
236,573	266,495	483,161
52,413	65,145	64,961
16,060	207,899	190,404
(119,145)	(121,877)	(124,690)
(15,551)	(15,899)	(13,977)
170,350	401,763	599,859
2,912,255	3,082,605	3,484,368
3,082,605	3,484,368	4,084,227
1,964,791	1,770,511	1,565,238
61.07%	66.31%	72.29%
484,338	643,859	664,785
405.67%	274.98%	235.45%

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2018**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	3.71%
2016	0.51%
2017	6.45%
2018	5.07%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 731,932	731,932	1,012,937
Personal Property Replacement Taxes	3,800	3,800	4,038
Foreign Fire Insurance Tax	6,320	6,320	6,221
Charges for Services			
Service Fees	61,523	61,523	100,023
Grants and Donations	8,259	8,259	8,436
Interest	2,400	2,400	4,546
Miscellaneous	36	36	4,899
Total Revenues	<u>814,270</u>	<u>814,270</u>	<u>1,141,100</u>
Expenditures			
Public Safety			
Wages and Benefits	651,295	651,295	609,370
Administrative Expenditures	33,962	33,962	22,843
Building and Grounds	7,060	7,060	6,291
Utilities	15,904	15,904	13,153
Vehicle Maintenance	32,776	32,776	27,622
Contract Services	67,692	67,692	59,084
Pension Contributions	328,500	328,500	345,665
Capital Outlay	8,760	8,760	79,014
Total Expenditures	<u>1,145,949</u>	<u>1,145,949</u>	<u>1,163,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(331,679)</u>	<u>(331,679)</u>	<u>(21,942)</u>
Other Financing Sources (Uses)			
Transfers In	205,400	205,400	10,394
Transfers Out	(205,400)	(205,400)	-
	<u>-</u>	<u>-</u>	<u>10,394</u>
Net Change in Fund Balance	<u>(331,679)</u>	<u>(331,679)</u>	(11,548)
Fund Balance - Beginning			<u>277,279</u>
Fund Balance - Ending			<u><u>265,731</u></u>

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Ambulance - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,097,360	1,097,360	1,094,121
Personal Property Replacement Taxes	5,700	5,700	6,056
Foreign Fire Insurance Tax	9,480	9,480	9,331
Charges for Services			
Service Fees	92,244	92,244	150,037
Grants and Donations	12,442	12,442	12,653
Interest	3,600	3,600	6,820
Miscellaneous	40	40	7,348
Total Revenues	<u>1,220,866</u>	<u>1,220,866</u>	<u>1,286,366</u>
Expenditures			
Public Safety			
Wages and Benefits	976,942	976,942	914,056
Administrative Expenditures	50,943	50,943	29,316
Building and Grounds	10,590	10,590	9,440
Utilities	23,856	23,856	19,729
Vehicle Maintenance	49,164	49,164	41,143
Contract Services	101,538	101,538	93,044
Pension Contributions	121,500	121,500	137,497
Capital Outlay	13,140	13,140	118,520
Total Expenditures	<u>1,347,673</u>	<u>1,347,673</u>	<u>1,362,745</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(126,807)</u>	<u>(126,807)</u>	<u>(76,379)</u>
Other Financing Sources (Uses)			
Transfers In	308,100	308,100	15,591
Transfers Out	<u>(308,100)</u>	<u>(308,100)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>15,591</u>
Net Change in Fund Balance	<u>(126,807)</u>	<u>(126,807)</u>	<u>(60,788)</u>
Fund Balance - Beginning			<u>409,814</u>
Fund Balance - Ending			<u><u>349,026</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedule – Major Governmental Fund
Capital Improvements – Capital Projects Fund
- Combining Statements – Nonmajor Governmental Funds
Combining Balance Sheet
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
Liability Insurance – Special Revenue Fund
Social Security/Medicare – Special Revenue Fund
Audit – Special Revenue Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

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 is used to account for general liability, workers' compensation and unemployment compensation insurance expenditures. Financing is provided by an unlimited tax levy.

Social Security/Medicare Fund

The Social Security/Medicare Fund is used to account for non-firemen pension and social security expenditures. Financing is provided by an unlimited tax levy.

Audit Fund

The Audit Fund is used to account for the expenditures related to the annual audit of the District's books, records and accounts. Financing is provided by an unlimited tax levy.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUND

Capital Projects Funds account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Improvements Fund

The Capital Improvements Fund is used to account for the acquisition and improvement of District property including infrastructure and general capital assets.

TRUST AND AGENCY FUNDS

PENSION TRUST FUND

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees of the District at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the District at amounts determined by an annual actuarial study.

AGENCY FUND

Foreign Fire Insurance Fund

The Foreign Fire Insurance Fund is used to account for money paid to the District for foreign fire insurance taxes.

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Capital Improvements - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Impact Fees	\$ -	-	17,000
Expenditures			
Capital Outlay	566,405	566,405	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(566,405)	(566,405)	17,000
Other Financing (Uses)			
Transfers Out	(413,500)	(413,500)	(25,985)
Net Change in Fund Balance	<u>(979,905)</u>	<u>(979,905)</u>	(8,985)
Fund Balance - Beginning			<u>1,079,906</u>
Fund Balance - Ending			<u>1,070,921</u>

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
April 30, 2018**

	Special Revenue			Totals
	Liability Insurance	Social Security/ Medicare	Audit	
ASSETS				
Cash and Investments	\$ 38,112	41,795	7,630	87,537
Receivables - Net of Allowances				
Property Taxes	187,501	51,002	7,400	245,903
Prepays	17,477	-	-	17,477
Total Assets	243,090	92,797	15,030	350,917
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	187,501	51,002	7,400	245,903
FUND BALANCES				
Nonspendable	17,477	-	-	17,477
Restricted	38,112	41,795	7,630	87,537
Total Fund Balances	55,589	41,795	7,630	105,014
Total Deferred Inflows of Resources and Fund Balances	243,090	92,797	15,030	350,917

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

	Special Revenue			Totals
	Liability Insurance	Social Security/ Medicare	Audit	
Revenues				
Property Taxes	\$ 189,440	71,788	7,310	268,538
Expenditures				
Public Safety	174,997	59,464	6,750	241,211
Net Change in Fund Balances	14,443	12,324	560	27,327
Fund Balances - Beginning	41,146	29,471	7,070	77,687
Fund Balances - Ending	55,589	41,795	7,630	105,014

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Liability Insurance - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 190,000	190,000	189,440
Expenditures			
Public Safety			
Public Liability Insurance	42,300	42,300	29,177
Workmen's Compensation	147,700	147,700	145,820
Total Expenditures	190,000	190,000	174,997
Net Change in Fund Balance	<u>-</u>	<u>-</u>	14,443
Fund Balance - Beginning			<u>41,146</u>
Fund Balance - Ending			<u>55,589</u>

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Social Security/Medicare - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 72,000	72,000	71,788
Expenditures			
Public Safety			
Contributions	72,000	72,000	59,464
Net Change in Fund Balance	<u>-</u>	<u>-</u>	12,324
Fund Balance - Beginning			<u>29,471</u>
Fund Balance - Ending			<u>41,795</u>

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Audit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 7,332	7,332	7,310
Expenditures			
Public Safety			
Contractual Services	7,332	7,332	6,750
Net Change in Fund Balance	<u>-</u>	<u>-</u>	560
Fund Balance - Beginning			<u>7,070</u>
Fund Balance - Ending			<u>7,630</u>

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 291,400	291,400	483,161
Contributions - Plan Members	-	-	64,961
Total Contributions	291,400	291,400	548,122
Investment Income			
Interest Earned	-	-	105,730
Net Change in Fair Value	-	-	100,091
	-	-	205,821
Less Investment Expenses	-	-	(15,417)
Net Investment Income	-	-	190,404
Total Additions	291,400	291,400	738,526
Deductions			
Administration	-	-	13,977
Benefits and Refunds	441,400	441,400	124,690
Total Deductions	441,400	441,400	138,667
Change in Net Position	(150,000)	(150,000)	599,859
Beginning			3,484,368
Ending			4,084,227

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

Foreign Fire Insurance - Agency Fund

**Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2018**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 38,885	47,437	38,885	47,437
LIABILITIES				
Deposits Payable	38,885	47,437	38,885	47,437

SUPPLEMENTAL SCHEDULE

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Schedule of Assessed Valuations, Tax Rates and Extensions - Last Ten Tax Levy Years
April 30, 2018**

See Following Page

RUTLAND-DUNDEE TOWNSHIP FIRE PROTECTION DISTRICT, ILLINOIS

**Schedule of Assessed Valuations, Tax Rates and Extensions - Last Ten Tax Levy Years
April 30, 2018**

	2008	2009	2010	2011
Assessed Valuations	\$ 433,782,526	452,156,493	402,823,193	380,104,626
Tax Rates				
Corporate	0.152525	0.151830	0.158261	0.180871
Ambulance	0.229277	0.223110	0.237058	0.271312
Social Security	0.007346	0.007867	0.009810	0.010787
Audit	-	0.000774	0.000870	0.001316
Liability Insurance	0.026255	0.026394	0.030434	0.031571
Pension	0.035124	0.035642	0.044933	0.049196
Total Tax Rates	0.450527	0.445617	0.481366	0.545053
Tax Extensions				
Corporate	661,627	686,509	637,512	687,499
Ambulance	994,564	1,008,806	954,925	1,031,269
Social Security	31,866	35,571	39,517	41,002
Audit	-	3,500	3,505	5,002
Liability Insurance	113,890	119,342	122,595	120,003
Pension	152,362	161,158	181,001	186,996
Total Tax Extensions	1,954,307	2,014,886	1,939,054	2,071,772

2012	2013	2014	2015	2016	2017
344,825,113	313,459,828	308,750,471	321,788,709	349,144,241	380,466,472
0.220022	0.230652	0.237720	0.226739	0.209636	0.209307
0.291967	0.345933	0.356580	0.339404	0.314300	0.313959
0.013195	0.019142	0.022705	0.021785	0.020622	0.013405
0.001755	0.001978	0.002122	0.002038	0.002100	0.001945
0.037700	0.044025	0.049328	0.053762	0.054419	0.049282
0.058001	0.073057	0.077410	0.082042	0.081342	0.077012
0.622640	0.714787	0.745865	0.725770	0.682419	0.664910
758,691	723,001	733,962	729,621	731,932	796,343
1,006,776	1,084,361	1,100,942	1,092,164	1,097,360	1,194,509
45,500	60,002	70,102	70,102	72,001	51,002
6,052	6,200	6,552	6,558	7,332	7,400
129,999	138,001	152,300	173,000	190,001	187,501
200,002	229,004	239,004	264,002	284,001	293,005
2,147,019	2,240,570	2,302,862	2,335,446	2,382,627	2,529,760