

Countryside Fire Protection District, Illinois

Annual Financial Report

May 31, 2020

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Costabile & Steffens P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

President and Board of Trustees
Countryside Fire Protection District
Vernon Hills, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Countryside Fire Protection District (the District), as of and for the year ended May 31, 2020, 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 the modified cash basis of accounting described in Note 1, except for the Firefighters' Pension Trust Fund which was prepared on the accrual basis; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

Frank J. Costabile

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Certified Public Accountants

President and Board of Trustees
Countryside Fire Protection District
Vernon Hills, Illinois

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Countryside Fire Protection District, as of May 31, 2020, and the respective changes in modified cash basis financial position and the accrual basis Firefighters' Pension Trust Fund for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, pension information and budgetary comparison information on pages 3-9 and 44-51, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Data

The other data listed in the table of contents had not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this information.

Costabile & Steffens PC

COSTABILE & STEFFENS PC
Certified Public Accountants

Rolling Meadows, Illinois 60008
November 20, 2020

**Countryside Fire Protection District
Management's Discussion and Analysis
Year Ending May 31, 2020**

Introduction

As the management of Countryside Fire Protection District (CFPD or District), we offer readers of the District's statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended May 31, 2020.

Countryside Fire District Operations

Established in 1959, the Countryside Fire Protection District serves an area that includes portions of Vernon Hills, Hawthorn Woods, Kildeer, Long Grove, Indian Creek, and Unincorporated areas of Lake County. We protect residential, mercantile, office, warehouse, and light industrial property with an EAV of \$1.70 billion. CFPD staffs 2 fire stations 24 hours a day and in FY 2020 responded to 4,885 fire, rescue and EMS calls. The District is an internationally accredited fire agency, meeting the highest standards set by the Commission on Fire Accreditation International and is rated a Class 2 by the Insurance Services Organization (ISO).

The District stretches from Milwaukee Avenue on the East, to Fremont Center Road on the west. The Northern most boundary is Winchester Road, and to the south, Port Clinton Road. The Canadian National and METRA Railroads traverse the District.

Our professional force of 42 full-time and contract Firemedics complimented by 16 part-time Firefighters and Paramedics, train frequently to ensure readiness in firefighting, emergency medical skills, highly technical rescue, hazardous materials, and disaster response for the 35,610 residents we serve.

A state-of-the-art dispatch center staffed by 6 full-time and several part-time CFPD professional, EMD trained telecommunicators is co-located at the Vernon Hills Police Department. Dispatch is also provided for the Libertyville Fire Department. Our operation is also supported by a staff that includes a finance director and administrative assistant.

The Fire Prevention Bureau is responsible for public education, fire safety inspections, building plan review, fire investigation, and water supply testing. We pro-actively use building and fire codes to ensure safety at over 1,300 occupancies in the District.

The members of the Countryside Fire Protection District are committed to providing the community with the utmost in public safety.

As a reference to the financial side of the District operation, the following data reflects on the fiscal year as it relates to taxation, budget and calls for service.

4,885 Incidents

Fire Loss: \$35,100

District Population: 35,610

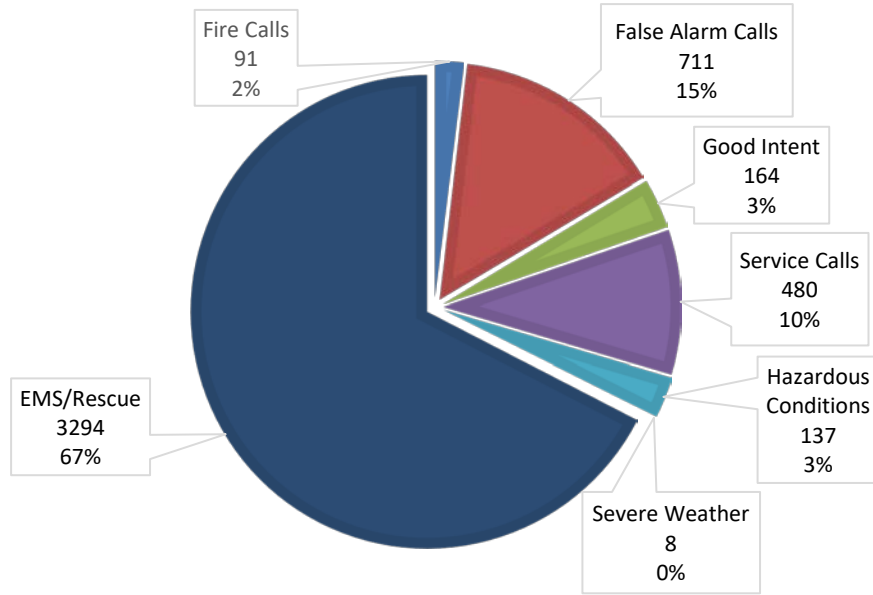
Tax Year 2019 CFPD Equalized Assessed Value (EAV): \$1,746,948,818

Tax Year 2019 CFPD Tax Extension: \$9,879,817

Tax Year 2019 CFPD Budget: \$10,154,463

FY 2019-20 Cost per capita (budget/population): \$285.16

**Call Summary by Type of Call (Fiscal Year)
June 1, 2019 – May 31, 2020**



Financial Highlights

- The assets of the District exceeded its liabilities/deferred inflows at the close of the most recent fiscal year by \$7,279,103 (net position). Of this amount, \$2,947,305 (unrestricted net position) may be used to meet the District’s ongoing obligations to citizens and creditors.
- The District’s total net position increased by \$1,115,402.

Financial History

The District currently has a number of short-term and a long term debt service for special projects and capital acquisitions. Each of these debt services provides for a timely project completion or implementation of an emergency service. Table 1 identifies the District’s current short and long term debt service.

Table 1: Debt Service Purchase/Service	Year	Amount	Remaining Liability	Matures
Midlothian Road Fire Station	2005	\$ 5,000,000	\$ 2,500,000	2025
Water Tender	2009	\$ 250,000	\$ 83,184	2024
Fire Engine	2018	\$ 492,463	\$ 251,903	2022

- **Demolition and Construction of Fire Station #1:** The District secured approval from the voters for a \$5 million bond in 2005 for the demolition and construction of fire station #1. The new facility includes living quarters, apparatus bays, training tower, training/community room, and dispatch center. Total construction costs were budgeted at \$5,024,587. On December 19, 2012, the District issued \$3.015 million 2012 General Obligation Refunding Bonds with an average interest rate of 2.8% to advance partial refund 2005 Series General Obligation Bonds with an average interest rate of 5.2%, and the final maturity date remains at January 15, 2025. The annual debt payment is funded through annual tax receipts from the bond and is scheduled to be paid by January, 2025.

- **Water Tender Purchase:** The District signed a loan agreement with the Illinois Finance Authority Fire Truck Loan Program in the amount of \$250,000 to purchase a water tender to replace the District's 22 year old water tender. The unit was purchased for \$249,851. The loan is interest free and principal payments of \$16,667 are due annually through November, 2024. The loan is collateralized by the water tender.
- **Fire Engine Purchase:** The District signed a loan agreement with the Clayton Holdings, LLC in the amount of \$492,463 to purchase a fire engine to replace the District's 16 year old fire engine. The unit was purchased for \$492,463. Semi-annual payments are \$64,963.93 until February, 2022. The loan is collateralized by the fire engine.

The District has a steady revenue source that has been expanded and diversified over the recent years. The District's recent revenue sources are identified in the accompanying table of revenues.

	2020	2019	Variance
Property Taxes - Ambulance	\$ 3,513,072	\$ 3,499,797	\$ 13,275
Property Taxes - Corporate	5,350,849	4,935,576	415,273
Property Taxes - Bond	462,966	373,546	89,420
Property Taxes - Insurance	355,832	345,261	10,571
Replacement Taxes	24,973	22,950	2,023
Fire Prevention Bureau Fees	94,790	132,274	(37,484)
Ambulance Fees	1,026,936	760,814	266,122
Grants	16,483	8,448	8,035
Interest	47,624	68,688	(21,064)
Dispatch Services	314,005	314,522	(517)
Other	297,581	166,996	130,585
TOTAL	\$ 11,505,111	\$ 10,628,872	\$ 876,239

The District levies property taxes for the corporate, ambulance, insurance and pension budgets. Additionally the District secured a bond for \$5 million for fire station construction. Over the past five years, the District's estimated assessed valuation expanded by an average of 2.23%. A compensating tax rate has provided the District with a 5 year average growth of over \$206,053 of new revenue, the past five of which included bond revenue. The following table details the property tax extension history for the past five years.

TAX YEAR	ESTIMATED ASSESSED VALUE	DOLLAR INCREASE/ (DECREASE)	PERCENT CHANGE	TAX RATE	TAX EXTENSION	PERCENT CHANGE	NEW REVENUE
2015	\$ 1,504,906,565	\$ 60,960,679	4.22%	0.595	\$ 9,006,056	1.77%	\$ 156,502
2016	\$ 1,601,638,949	96,732,384	6.43%	0.567	\$ 9,127,473	1.35%	\$ 121,417
2017	\$ 1,664,592,916	62,953,967	3.93%	0.562	\$ 9,360,707	2.56%	\$ 233,234
2018	\$ 1,696,885,820	32,292,904	1.94%	0.567	\$ 9,613,009	2.70%	\$ 252,302
2019	\$ 1,746,948,818	50,062,998	2.95%	0.566	\$ 9,879,817	2.78%	\$ 266,808

The District bills for ambulance transports with revenue of \$1,026,936. District residents are billed for insurance coverage only with the co-pay waived under a ruling of the OIG following the Medicare rates.

The CFPD continued its contract with Metro Paramedic Services for capital paramedic equipment and personnel. The capital equipment replacement schedule includes ambulances, cardiac monitors, auto-load cot system, stair chairs, and auto-pulse machines to be replaced at regularly scheduled intervals. CFPD is also contracted with Paramedic Billing Services for ambulance billing services at a competitive commission compared to many other area providers. This package has allowed the District to smooth its capital spending costs over the 3 year contract.

Other revenue includes donations, gifts, grants, foreign fire tax, and miscellaneous income from training reimbursement. The District collects fees and contributions for new developments per a schedule identified in its fire prevention ordinance. The District also works with developers and Villages to negotiate donations based on the impact the development will have on emergency services. This revenue is applied to the District's capital projects and help to lessen the burden of the new construction during its transition year when it comes on the tax rolls.

Overview of Financial Statements

The Countryside Fire Protection District provides a number of financial statements including a statement of net position and governmental funds balance sheet using the modified cash basis, statement of activities and governmental fund revenues, expenditures and changes in fund balances using the modified cash basis, and a statement of fiduciary net position for the firefighters' pension fund.

- Governmental-wide Financial Statements: The District's Corporate, Ambulance and Insurance Funds had a net position of \$7,279,103. The District's Pension Fund had a net position of \$30,312,906.
- Fund Financial Statements: The District's Fund Revenues, Expenditures and Changes in Fund Balances was \$1,115,402. The District's Pension Fund Revenues, Expenditures and Changes in Fund Balance was \$1,710,067.

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

The statement of Net Position presents information on all the District's assets and liabilities/deferred inflows with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year.

Fund financial statements tell how the District's services were paid for as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's funds and the total of all other funds.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of more detailed data on the retirement fund schedule of funding progress and budget to actual revenues and expenditures.

Financial Analysis of the District

Statement of Net Assets

The assets of the District, as detailed in Table 4 below, are classified as current assets and capital assets. Cash, investments, receivables, and prepaid items are current assets and are available to provide resources for the daily operations of the District. The majority of the current assets are the result of the property tax collection process.

Capital assets are calculated annually and used in the operations of the district to provide services to the residents. Their use must be considered an expense of doing business. The District's investment in capital assets (non-current assets) as of May 31, 2020 amounts to \$7,308,820 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, apparatus, vehicles and equipment. The decrease in the District's investments in capital assets for the fiscal year was \$413,022 and represents a 5.35% decrease of its capital assets.

Liabilities of the district, as detailed in Table 4 below, are categorized as current liabilities, which will to be paid within one year, and long-term liabilities, which may extend over multiple years.

Table 4: Net Position	2020	2019	Variance	%
Current assets	3,379,785	2,051,476	1,328,309	64.75
Capital assets	7,308,820	7,721,842	(413,022)	(5.35)
Total assets	10,688,605	9,773,318	915,287	9.37
Current liabilities	562,442	561,712	730	0.13
Deferred inflow	410,467	79,496	330,971	416.34
Long term liabilities	2,436,593	2,968,409	(531,816)	(17.92)
Total liabilities and deferred inflows	3,409,502	3,609,617	(200,115)	(5.54)
Net Position:				
Invested in capital assets	4,331,798	4,200,491	131,307	3.13
Net of related debt				
Restricted	-	-	-	-
Unrestricted	2,947,305	1,963,210	984,095	50.13
Total net position	7,279,103	6,163,701	1,115,402	18.10

The District's combined net position increased \$1,115,402 bringing the total net position to \$7,279,103.

Statement of Activities

At the end of the year a report is prepared that shows all the revenue received and all the expenses incurred by the District and it is called Change in Net Position. If the revenue exceeds the expenses, then the balance sheet will show an increase in the District's Net Position. This report is very similar to the Profit & Loss Statement used in the corporate world. Table 5 details the changes in net position by revenue and expense category and Table 6 calculates revenue and expense categories as a percentage of their respective totals.

Table 5: Changes in CFPD Net Position	2020	2019	Increase/(Decrease) in Net Position	%
<u>REVENUES</u>				
Property taxes	9,682,719	9,154,180	528,539	5.77
Charges for Service	1,278,729	1,050,349	228,380	21.74
Replacement taxes	24,972	22,950	2,022	8.81
Foreign Fire Insurance Tax	58,037	42,259	15,778	37.34
Grant Proceeds	16,483	8,448	8,035	95.11
Investment Earnings/(Loss)	47,624	68,688	(21,064)	(30.67)
Other income	396,547	281,998	114,549	40.62
Total revenues	11,505,111	10,628,872	876,239	8.24
<u>EXPENDITURES</u>				
Fire Protection	10,198,110	10,499,375	301,265	2.87
Capital Outlay	74,212	180,641	106,429	58.92
Debt Service (Interest expense)	117,387	124,869	7,482	5.99
Total expenditures	10,389,709	10,804,885	415,176	3.84

Key elements of the increase in net position are as follows:

Total revenues increased \$876,239 over the prior year. The majority of that increase was due to property taxes, the District's primary revenue source, which increased by \$528,539. The Property Tax Extension Limitation Law allows a taxing district to receive a limited increase (5% or the cost of living (CPI), whichever is less) on the existing property tax rate, plus an additional amount for new construction. Other significant fluctuations in revenue are as follows:

- The increase in charges for services was primarily driven by increased ambulance billings
- The increase in other income was driven by CFPD selling the surplus Wildland Urban Interface Engine and surplus 16 year old Pierce Fire Engine.

Total expenditures decreased during 2020 mainly due to the decision to delay various capital projects due to the pandemic.

Table 6: Revenues and Expenditures	2020	%	2019	%
REVENUES				
Property taxes	9,682,719	84.16	9,154,180	86.13
Charges for Service	1,278,729	11.11	1,050,349	9.88
Replacement taxes	24,972	0.22	22,950	0.22
Foreign Fire Insurance Tax	58,037	0.50	42,259	0.40
Grant Proceeds	16,483	0.14	8,448	0.08
Investment Earnings/(Loss)	47,624	0.41	68,688	0.65
Other income	396,547	3.45	281,998	2.65
Total revenues	11,505,111	100.00	10,628,872	100.00
EXPENDITURES				
Fire Protection	10,198,110	98.16	10,499,375	97.17
Capital Outlay	74,212	0.71	180,641	1.67
Debt Service (Interest expense)	117,387	1.13	124,869	1.16
Total expenditures	10,389,709	100.00	10,804,885	100.00

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District governmental funds focus is to provide information on near-term inflows, outflows, and spendable resources balances. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the current fiscal year end, the District's governmental funds reported combined ending fund balances of \$7,279,103 an increase of \$1,115,402 in comparison with the previous year. 40.5% (\$2,947,305) of this total amount constitutes unrestricted fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is restricted or non-spendable to indicate that is not available for new spending because it has already been committed for non-spendable liabilities of \$22,013 and deferred inflow of resources of \$410,467.

Budgetary Highlights for Combined Funds

The budget as adopted was amended during fiscal year end May 31, 2020. Year-to-date revenue was 100% of the 2020 amended budget. Year-to-date expenses were 100.00% of the 2020 amended budget.

Capital Assets and Debt Administration

Capital Assets The District's investment in capital assets as of May 31, 2020 amounted to \$7,308,820 (net of accumulated depreciation) This investment in capital assets included land, buildings, apparatus, vehicles, and equipment. The decrease in the District's investment in capital assets for the fiscal year was \$413,022.

Long-term Debt At the end of the fiscal year, the District has bonds payable of \$2,500,000 for construction. The District has a \$83,184 loan outstanding with 5 of the 15 years remaining with the Illinois Finance Authority Fire Truck Loan Program. The District has a \$251,903 loan outstanding with 2 of 4 years remaining with Clayton Holdings, LLC. The District does not have any capital leases, or fire protection notes outstanding.

Economic Factors and Next Year's Budget

The COVID-19 pandemic has impacted the District's operations. The District has followed the guidelines provided by the Illinois Department of Public Health in regards to operational changes to the stations. In regards to collection of property tax revenue, the Lake County Board approved an optional program allowing residents to pay in four installments between June and November compared to the prior year residents paid in two installments between June and September. The result has been delayed property tax revenues to the District, the impact to the overall collection rate is unknown at this time, however 95% has been collected through November 15, 2020. Our collection rate in this fiscal year was 99.8%.

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. Under U.S. Treasury guidelines, public safety employees are assumed to be "substantially dedicated" to COVID response. As such 100% of their payroll expenses (salary and benefits) are eligible for reimbursement with CARES Act Funds for the time period beginning March 1, 2020 and ending December 31, 2020. The District has been paid \$199,695 which is the full amount of the funds allocated to the District by Lake County.

The District is participating in the Illinois Healthcare and Family Services Ground Emergency Medical Transport (GEMT) program which allows for additional Medicaid reimbursement revenue on ambulance transports. In September 2020, the District changed their ambulance billing rates to align with the annual GEMT Cost Report Calculation, which will result in increased ambulance billings.

A Tax Increment Financing (TIF) has been approved in the District in the Village of Vernon Hills. This will have an adverse effect on the District as it relates to the service that will be required in the TIF development area without the additional property tax revenue to support those services.

The District will continue to seek local, state and federal grant funding for equipment and personnel as well as capital contributions from developers. Additionally, the District will evaluate current service fee levels and consider increases as allowed by law and ordinances to keep in stride with increased cost of operations while minimizing the burden to the taxpayers.

Budgeted revenue for 2020-21 is \$9,655,000. Property taxes comprise the majority of that revenue at 84.66% of the budgeted revenue. Other sources of budgeted revenue include fees for ambulance service, fire prevention bureau fees, dispatch services, grants and other miscellaneous sources (such as Replacement Taxes, Foreign Fire Insurance Tax, Investment earnings etc.), which represents 15.34% of budgeted revenue.

Budgeted expenditures for 2020-21 are \$9,632,360. Expenditures include salaries and benefits with a slight increase to maintain staffing levels, facility expenses to operate and maintain existing buildings, expenses to maintain existing apparatus, debt payments and other miscellaneous expenditures. The budget includes debt services for the water tender, fire engine and fire stations.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the Countryside Fire Protection District. The District is prepared to answer any questions or suggestions about this report. Comments or questions may be addressed to the Countryside Fire Protection District, 600 N. Deerpath Drive, Vernon Hills, IL 60061-1804.

BASIC FINANCIAL STATEMENTS



Countryside Fire Protection District

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET -
MODIFIED CASH BASIS
For the Year Ended May 31, 2020

	Special Revenue Funds			Total	Adjustments (See Note 2)	Statement of Net Position
	General Fund	Ambulance Fund	Insurance Fund			
ASSETS						
Cash and Investments	\$ 1,772,676	\$ 1,607,109	\$ -	\$ 3,379,785	\$ -	\$ 3,379,785
Internal Receivables	-	-	175,317	175,317	(175,317)	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	7,215,520	7,215,520
Capital Assets, Not Being Depreciated	-	-	-	-	93,300	93,300
Total Assets	1,772,676	1,607,109	175,317	3,555,102	7,133,503	10,688,605
LIABILITIES						
Internal Payables	175,317	-	-	175,317	(175,317)	-
Payroll Liabilities	22,013	-	-	22,013	-	22,013
Long-Term Liabilities						
Due Within One Year	-	-	-	-	540,429	540,429
Due in More Than One Year	-	-	-	-	2,436,593	2,436,593
Total Liabilities	197,330	-	-	197,330	2,801,705	2,999,035
DEFERRED INFLOWS OF RESOURCES						
Unearned Property Taxes	215,536	179,872	15,059	410,467	-	410,467
FUND BALANCES/NET POSITION						
Fund Balances:						
Unassigned	1,359,810	-	-	1,359,810	(1,359,810)	-
Restricted						
Special Revenues Funds	-	1,427,237	160,258	1,587,495	(1,587,495)	-
Total Fund Balances	1,359,810	1,427,237	160,258	2,947,305	(2,947,305)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,772,676	\$ 1,607,109	\$ 175,317	\$ 3,555,102		
Net Position:						
Investment in Capital Assets					4,331,798	4,331,798
Unrestricted					2,947,305	2,947,305
Total Net Position					\$ 7,279,103	\$ 7,279,103

The accompanying notes are an integral part of this statement.



Countryside Fire Protection District
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS
For the Year Ended May 31, 2020

	Special Revenue Funds			Total	Adjustments (See Note 2)	Statement of Net Position
	General Fund	Ambulance Fund	Insurance Fund			
EXPENDITURES						
Fire Protection	\$ 5,552,681	\$ 3,952,185	\$ 314,056	\$ 9,818,922	\$ 379,188	\$ 10,198,110
Capital Outlay	30,612	43,600	-	74,212	-	74,212
Debt Service:						
Principal	425,248	85,247	-	510,495	(510,495)	-
Interest	112,715	4,672	-	117,387	-	117,387
Total Expenditures	<u>6,121,256</u>	<u>4,085,704</u>	<u>314,056</u>	<u>10,521,016</u>	<u>(131,307)</u>	<u>10,389,709</u>
PROGRAM REVENUES						
Charges for Services	<u>251,793</u>	<u>1,026,936</u>	<u>-</u>	<u>1,278,729</u>	<u>-</u>	<u>1,278,729</u>
GENERAL REVENUES						
Property Taxes	5,813,815	3,513,072	355,832	9,682,719	-	9,682,719
Personal Property Replacement Tax	12,897	10,965	1,110	24,972	-	24,972
Foreign Fire Insurance Tax	58,037	-	-	58,037	-	58,037
Investment Earnings, Net	31,104	16,520	-	47,624	-	47,624
Other Income	132,084	280,946	-	413,030	-	413,030
Total General Revenues	<u>6,047,937</u>	<u>3,821,503</u>	<u>356,942</u>	<u>10,226,382</u>	<u>-</u>	<u>10,226,382</u>
Net Change in Fund Balances	<u>178,474</u>	<u>762,735</u>	<u>42,886</u>	<u>984,095</u>	<u>(984,095)</u>	<u>-</u>
Change in Net Position					<u>1,115,402</u>	<u>1,115,402</u>
Fund Balance/Net Position:						
Beginning of Year	<u>1,181,336</u>	<u>664,502</u>	<u>117,372</u>	<u>1,963,210</u>	<u>4,200,491</u>	<u>6,163,701</u>
End of Year	<u>\$ 1,359,810</u>	<u>\$ 1,427,237</u>	<u>\$ 160,258</u>	<u>\$ 2,947,305</u>	<u>\$ 4,331,798</u>	<u>\$ 7,279,103</u>

The accompanying notes are an integral part of this statement.



Costabile & Steffens P.C.
Certified Public Accountants

Countryside Fire Protection District
STATEMENT OF FIDUCIARY NET POSITION
FIREFIGHTERS' PENSION FUND
May 31, 2020

ASSETS

Cash and Cash Equivalents	\$	492,908
Accrued Interest and Dividend Receivable		40,969
Investments, at Fair Value:		
Money Market Funds		1,055,808
U.S. Government and Agency Obligations		5,362,050
Corporate Notes and Bonds		2,926,753
Negotiable Certificates of Deposit		804,327
Mutual Funds and Stock Equities		19,635,133
Prepaid Expenses		2,297
		<hr/>
Total Assets		30,320,245

LIABILITIES

Accrued Expenses		7,108
Payroll Withholdings		231
		<hr/>
Total Liabilities		7,339

NET POSITION

Held in Trust for Pension Benefits	\$	30,312,906
(A Schedule of Funding Progress is Presented in the Required Supplementary Information)		<hr/> <hr/>

The accompanying notes are an integral part of this statement.



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Countryside Fire Protection District

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIREFIGHTERS' PENSION FUND

For the Year Ended May 31, 2020

ADDITIONS

CONTRIBUTIONS

Employer	\$ 1,681,608
Plan Members	<u>367,996</u>

Total Contributions	<u>2,049,604</u>
---------------------	------------------

INVESTMENT INCOME

Interest and Dividends	883,268
Net Increase in Fair Value of Investments	<u>876,932</u>
	1,760,200

Less: Investment Expenses	<u>(34,462)</u>
---------------------------	-----------------

Net Investment Income	<u>1,725,738</u>
-----------------------	------------------

Total Additions	<u>3,775,342</u>
-----------------	------------------

DEDUCTIONS

Administration	46,305
Benefits and Refunds	<u>2,018,970</u>

Total Deductions	<u>2,065,275</u>
------------------	------------------

Net Increase	1,710,067
--------------	-----------

Net Position Held in Trust for Pension Benefits

Beginning of Year	<u>28,602,839</u>
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End of Year	<u><u>\$ 30,312,906</u></u>
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The accompanying notes are an integral part of this statement.



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Countryside Fire Protection District
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Countryside Fire Protection District
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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the District's significant accounting policies:

A. Basis of Accounting

The District prepares its financial statements on the modified cash basis of accounting with the exception of the pension trust fund. The modified cash basis of accounting omits the recognition of certain revenues and related assets, such as taxes receivable, until received rather than when earned. Also, certain expenses and the related liabilities, such as accounts payable and accrued items, are recognized when paid rather than when the obligation is incurred. The financial statements reflect cash receipts and disbursements, except for the early receipt of property taxes, which are deferred to the year for which they are intended to finance expenditures.

The pension trust fund is accounted for using the accrual basis of accounting. As required by the Illinois Department of Insurance, revenues are recognized when they are earned, and expenses are recognized when incurred.

B. Reporting Entity

The District's financial reporting entity comprises the following:

Primary Government: Countryside Fire Protection District

The District provides fire, rescue, emergency medical services and general administrative services.

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." Based upon the criteria set forth in the GASB Statement No. 61, the District includes all component units that have a significant operational or financial relationship with the District. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The financial reporting entity is defined as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based on the aforementioned criteria, the Firefighters' Pension Fund is a component unit of the District.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

The District's firefighter employees participate in the Firefighter's Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a six-member pension board. Two District board members, one elected pension beneficiary, and three elected fire employees constitute the pension board. The District and FPERS participants are obligated to fund all 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. The FPERS is included in the District's annual financial report as blended component unit and is reported as a pension trust fund.

Separate financial statements for the firefighter pension fund can be obtained from the Treasurer of the Fund at 600 North Deerpath Drive, Vernon Hills, Illinois 60061.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

D. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types."



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a district's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general (corporate) fund is used to account for all activities of the government not accounted for in some other fund.

Governmental Funds

General Fund

The General Fund is used to account for most of the current day-to-day operations of the District which are financed from property taxes and other general revenues.

Special Revenue Funds

The Special Revenue funds account for revenues from specific sources, such as taxes and state and federal grants, which by law are designated to finance particular functions or activities.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. These assets are held under the terms of a formal trust agreement for the pension trust fund.

Fiduciary Funds

Trust and Agency Funds

These funds consist of resources received and held by the District as trustee or agent to be expended or invested in accordance with the conditions of the trust or in its agency capacity.

E. Financial Statement Presentation

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Ambulance Fund* is the District's fund to account for the specific revenue sources that are legally restricted to expenditures related to providing ambulance services.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Financial Statement Presentation (Continued)

The *Insurance Fund* is the District's fund to account for the specific revenue sources that are legally restricted to expenditures related to providing insurance services.

Additionally, the District reports the following fund type:

Pension Trust Funds account for the activities of the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the government through an annual property tax levy.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

F. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in interest-bearing and noninterest-bearing checking accounts, and certificates of deposit with maturities of three months or less from the date of acquisition.

G. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. All investments are stated at fair value for pension trust funds.

H. Internal Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Internal receivables" or "Internal payables" on the balance sheet.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property Taxes

The property tax revenue reported for the fiscal year ended May 31, 2020, is for collections of property taxes levied for calendar year 2018 and prior. Any property taxes collected for the calendar year 2019 levy during the fiscal year ended May 31, 2020, are deferred to the fiscal year beginning June 1, 2020. The total amount of property taxes levied for the calendar year 2019 which have been collected and deferred in the fiscal year ended May 31, 2020, amounted to \$410,467 for all funds. Receivables have not been recorded for the balance of the property taxes to be received for the calendar year 2019 levy.

J. Capital Assets

Capital assets are recorded as expenditures at the time of purchase. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., parking lots and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings and Improvements	45
Machinery and Equipment	5-25
Vehicles	10-30

K. Compensated Absences

Employees earn 12 hours of sick time every month to a maximum of 1,440 hours. Any amounts that are not used at calendar year-end, are accumulated in employee's sick leave "bank".

Each year on the employees anniversary date, employees with at least 1,440 hours in their sick leave "banks" get paid for 50% of their unused sick leave days.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

Employees in good standing who retire and have been with the District for more than 20 years receive payment for their accumulated sick leave bank at 50% of the time accrued.

L. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the statement of net position and governmental fund balance sheet. The governmental funds report unavailable revenues for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

N. Government-Wide Net Position

Net position is divided into two components:

Net Investment in Capital Assets - consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Unrestricted Net Position - the remaining net position is reported in this category.

Governmental fund balances are divided between nonspendable and spendable.



Costabile & Steffens P.C.
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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Government Fund Balances

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

Restricted - Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation. As of May 31, 2020, the District has no restricted fund balance amounts.

Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District's highest level of decision-making authority rests with the District's Board. The District passes formal resolutions to commit their fund balances. At May 31, 2020, the District has no committed fund balance amounts.

Assigned - includes amounts that are constrained by the District's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by (a) the District's Board itself; or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The District's Board has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund type (capital projects) resources are assigned in accordance with the established fund purposes and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

Unassigned - includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. - committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.



Costabile & Steffens P.C.
 Certified Public Accountants

Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except reimbursements, are reported as transfers.

Q. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The balance sheet includes adjustments between the balance sheet and the statement of net position. One element of the adjustments is for the long-term liabilities which are as follows:

Bonds Payable	\$ 2,500,000
Notes Payable	335,087
Bonds Premium	<u>141,935</u>
	<u>\$ 2,977,022</u>

Another element of the adjustments is for the capital assets:

Capital Assets, Not Being Depreciated	\$ 93,300
Capital Assets, Being Depreciated	13,178,277
Accumulated Depreciation	<u>(5,962,757)</u>
	<u>\$ 7,308,820</u>



Costabile & Steffens P.C.
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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures and changes in fund balances includes adjustments between this statement and the statement of activities. One element of the adjustments is the effect of the capital asset purchases and depreciation, which is as follows:

Depreciation Expense	<u>(413,022)</u>
Net Adjustment to Decrease Net Change in Fund Balances - Total Governmental Funds to Arrive at Change in Net Position of Governmental Activities	<u>\$ (413,022)</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consume the current financial resources of governmental funds." The details of this \$544,329 increase are as follows:

Amortization of Bond Premium	\$ 33,834
Principal Payments on Long-Term Liabilities	<u>510,495</u>
Net Adjustment to Increase Net Change in Fund Balances - Total Governmental Funds to Arrive at Change in Net Position of Governmental Activities	<u>\$ 544,329</u>



Costabile & Steffens P.C.
Certified Public Accountants

Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Cash

The carrying amount of cash was \$3,379,785 at May 31, 2020, including petty cash of \$200, while bank balances were \$3,417,696. As of May 31, 2020, all of the District's bank balance was insured up to \$3,417,696 and uncollateralized.

At fiscal year end, the carrying amount of the Pension Fund's deposits totaled \$492,908 and the bank balances totaled \$498,946. In the case of deposits for the Pension Fund, the entire amount of the bank balance of the deposits were covered by federal depository or equivalent insurance.

B. Certificates of Deposit

Pension Funds

Certificates of deposits for the pension fund were \$804,327 at May 31, 2020, and were insured by the Federal Deposit Insurance Corporation (FDIC) up to their \$250,000 limit.

C. Investments

The District maintains cash and investment accounts for each fund. The district is authorized by State Statue and its own local ordinances to invest in obligations of the United States Treasury, agencies and instrumentalities, commercial paper noted within the three highest classifications by at least two standard rating services, obligations of states and their political subdivisions, mutual funds, savings accounts, credit union shares, the Illinois Funds and authorized life insurance contracts.



Costabile & Steffens P.C.
Certified Public Accountants

Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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 the deposits are insured by the agencies or instrumentalities of the government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer, 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 obligation 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 specific restrictions; general accounts of life insurance companies and separate accounts of life insurance. Pension funds with net assets of 2.5 million or more may invest up to 45% of the plan net assets in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net assets of at least 5 million that have appointed an investment advisor, may through that advisor invest up to 45% of the plan's net assets in common and preferred stocks that meet specific restrictions.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Pension Fund's investments at May 31, 2020.



Costabile & Steffens P.C.
 Certified Public Accountants

Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Agency Obligations	\$ 5,362,050	\$ 492,810	\$ 3,319,167	\$ 868,616	\$ 681,457
Corporate Notes and Bonds	2,926,753	726,501	1,845,888	342,644	11,720
Total	<u>\$ 8,288,803</u>	<u>\$ 1,219,311</u>	<u>\$ 5,165,055</u>	<u>\$ 1,211,260</u>	<u>\$ 693,177</u>

The Pension Fund assumes any callable securities will not be called. As of May 31, 2020, the Firefighters' Pension Fund has U.S. government and agency obligations and corporate notes and bonds with average credit quality ratings of AAA-Baa3. Mutual funds and money market funds are not subject to risk categorization. The mutual funds are managed by the financial institution in which they are held.

Interest Rate Risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the District's investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit risk - is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District helps limit its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The District's investment policy is to apply the prudent-person rule: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return.

Concentration of Credit Risk - is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District places no limits on the amount that may be invested in any one issuer.



Costabile & Steffens P.C.
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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk - is the risk that in the event of failure of the counterparty, the District or Pension Fund would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Mutual funds and money markets are not subject to custodial risk. The U.S. Government and Agency securities are categorized as insured and held by the counterparty in the District or Fund's name. To limit their exposure, both the District and Pension Fund's investment policy requires all security to be held only in insured financial institutions.

- iShares MSCI USA Momentum Factor ETF - \$3,068,922
- DoubleLine Shiller Enhanced CAPE - \$2,861,530
- Vanguard 500 Index Fund - \$9,528,283
- SPDR S&P 600 Small Cap ETF - \$1,222,182
- Cohen & Steers Institutional Fund - \$1,560,206
- Delaware Emerging Markets Fund - \$36,390
- DFA International Core Equity Fund - \$252,302
- Harding Loevner Institutional Emerging Markets Fund - \$132,143
- Invesco Oppenheimer International Sml-Mid Company Fund - \$150,638
- Janus Henderson International Opportunities Fund - \$488,797
- Vanguard International Growth Fund - \$333,740

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the pension's board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct assets. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain dramatically shifting asset class allocations over short time spans. The following was the Board's asset allocation policy as of May 31, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash and Cash Equivalents	3.00%
Domestic Fixed Income	32.00%
Domestic Large Cap Equity	52.00%
Domestic Small Cap Equity	5.00%
International Equity	4.00%
Emerging Market Equity	1.00%
Real Estate Equity	3.00%
Total	<u>100.00%</u>



Costabile & Steffens P.C.
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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

The Pension Fund had the following recurring fair value measurements as of May 31, 2020:

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)
U.S. Agency Obligations	\$ 5,362,050	\$ -	\$ 5,362,050	\$ -
Corporate Notes and Bonds	2,926,753	-	2,926,753	-
Mutual Funds and Stock Equities	<u>19,635,133</u>	<u>19,635,133</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 27,923,936</u>	<u>\$ 19,635,133</u>	<u>\$ 8,288,803</u>	<u>\$ -</u>



Costabile & Steffens P.C.
Certified Public Accountants

Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2020 is as follows:

	Balance June 1, 2019	Increases	Disposals	Balance May 31, 2020
Capital Assets, not Being Depreciated				
Land	\$ 93,300	\$ -	\$ -	\$ 93,300
Total Capital Assets, not Being Depreciated	93,300	-	-	93,300
Capital Assets, Being Depreciated				
Buildings and Improvements	7,735,886	-	-	7,735,886
Machinery and Equipment	1,548,462	-	226,453	1,322,009
Vehicles	4,120,382	-	-	4,120,382
Total Capital Assets Being Depreciated	13,404,730	-	226,453	13,178,277
Less Accumulated Depreciation for				
Buildings and Improvements	2,492,075	180,592	-	2,672,667
Machinery and Equipment	1,211,248	47,322	226,453	1,032,117
Vehicles	2,072,865	185,108	-	2,257,973
Total Accumulated Depreciation	5,776,188	413,022	226,453	5,962,757
Total Capital Assets Being Depreciated, Net	7,628,542	(413,022)	-	7,215,520
Total Capital Assets, Net	\$ 7,721,842	\$ (413,022)	\$ -	\$ 7,308,820

Depreciation expense of \$413,022 was charged to governmental activities, fire protection, as of May 31, 2020.



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NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 5 - INTERNAL RECEIVABLES AND PAYABLES

Internal receivables and payables consist of the following:

	<u>Receivables</u>	<u>Payables</u>
General Fund		
Insurance Fund	\$ -	\$ 175,317
Total General Fund	<u>-</u>	<u>175,317</u>
Special Revenue Funds		
Insurance Fund		
General Fund	<u>175,317</u>	<u>-</u>
Total Special Revenue Funds	<u>175,317</u>	<u>-</u>
	<u>\$ 175,317</u>	<u>\$ 175,317</u>

The amounts payable to special revenue funds are to cover temporary deficits in the funds' balances as of May 31, 2020. Repayment is expected within one year.

NOTE 6 - LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

During the year ended May 31, 2020, the following changes occurred in long-term liabilities:

	<u>Balance</u> <u>June 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>May 31, 2020</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$ 3,015,770	\$ -	\$ 373,835	\$ 2,641,935	\$ 401,787
Notes Payable - Banks	505,581	-	170,494	335,087	138,642
	<u>\$ 3,521,351</u>	<u>\$ -</u>	<u>\$ 544,329</u>	<u>\$ 2,977,022</u>	<u>\$ 540,429</u>



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NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

A. Changes in Long-Term Liabilities (Continued)

On December 19, 2012, the District issued \$960,000 in 2012 General Obligation Limited Debt Certificates with an average interest rate of 2.65% to advance refund 2002 General Obligation Limited Debt Certificates with an average rate of 4.9%. The net \$939,737 were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for some of the future debt service payments. The amount of the 2002 General Obligation Debt Certificates are considered defeased and fully repaid.

In June 2005, the District issued General Obligation Fire Protection Bonds, Series 2005 in the amount of \$5,000,000 to provide for the demolition and reconstruction of Fire Station #1. Principal payments were due in annual installments beginning on January 15, 2007 to January 15, 2025. Interest was due semiannually on January 15 and July 15 of each year and the interest rate ranged from 3.5% to 5.25%. These General Obligation Bonds were refunded as of December, 2012, in the amount of \$3,155,000. Principal payments are due in annual installments of \$25,000, \$35,000, \$260,000, \$280,000, \$295,000, \$315,000, \$340,000, \$360,000, \$385,000, \$415,000 and \$445,000 on January 15, 2014 to January 15, 2024, respectively; interest at 2.0% to 3.0%. Interest is due semiannually on January 15 and July 15 of each year. General Obligation Bonds are direct obligation and pledge the full faith of the District.

On December 19, 2012, the District issued \$3.155 million in 2012 General Obligation Refunding Bonds with an average interest rate of 2.8% to advance partial refund 2005 Series General Obligation Bonds with an average rate of 5.2%. The net \$3,374,938 were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for some of the future debt service payments. The amount of the 2005 Series General Obligation Bonds are considered defeased and was paid out of escrow as of May 31, 2020.

In April 2009, the District signed a loan agreement with the State of Illinois in the amount of \$250,000 to purchase a piece of equipment. The loan was funded in June 2009 and the District purchased the equipment which was delivered in August, 2010. The loan is interest free and principal payments of \$16,667 are due annually through November 2024. The loan is collateralized by the piece of equipment.

In March 2015, the District signed a loan agreement with Commerce Bank in the amount of \$155,565 to purchase new turnout gear. The gear was delivered in July, 2015. The loan carries an interest rate of 2.25% and five equal payments of \$33,244, and was fully paid off during the fiscal year ended May 31, 2020.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

A. Changes in Long-Term Liabilities (Continued)

In March 2018, the District signed a loan agreement with Commerce Bank in the amount of \$492,463 to purchase new fire engine. The engine was delivered in May, 2019. The loan carries an interest rate of 2.51% and eight equal payments of \$64,964, including interest through February 2022.

B. Debt Service Requirements to Maturity

Year Ending May 31,	Notes Payable Banks	Bonds Payable	Amortization of Bond Premium	Interest
2021	\$ 146,595	\$ 360,000	\$ 33,834	\$ 100,685
2022	138,642	385,000	33,834	86,743
2023	16,667	415,000	33,834	72,788
2024	16,667	445,000	25,825	60,338
2025	16,516	895,000	14,609	46,988
Total Principal	<u>\$ 335,087</u>	<u>\$ 2,500,000</u>	<u>\$ 141,936</u>	<u>\$ 367,542</u>

C. Legal Debt Margin

Assessed Valuation - 2019 Tax Levy Year	<u>\$ 1,746,948,818</u>
Statutory Debt Limitation (5.75% of Assessed Valuation)	\$ 100,449,557
Total Applicable Debt	<u>2,977,023</u>
Legal Debt Margin	<u>\$ 97,472,534</u>



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 7 - LEASE COMMITMENTS

The District leases a copier under a noncancelable operating lease agreement. Monthly rental payments under this lease are \$538, and the lease expires in July, 2023. Related lease expense was \$6,456 for the year ended May 31, 2020.

The following is a schedule of future lease commitments associated with this lease agreement:

<u>Year Ended</u> <u>May 31,</u>	<u>Amount</u>
2021	\$ 6,456
2022	6,456
2023	6,456
	<u>\$ 19,368</u>

Originally as of January 1, 2017 the District has entered into an agreement to outsource some of its fire-fighting and emergency medical personnel, lease four (4) ambulances and related equipment, and to contract out its ambulance billing services for a period of five (5) years ending on December 31, 2021. This lease agreement was amended on August 1, 2019 and subsequently an entirely new lease agreement was reached effective January 1, 2020 for a period of three (3) years ending on December 31, 2022. The future minimum lease payments consist of a fixed amount plus 4.00% emergency medical services billing commission fee. The fixed payment amounts are as follows:

<u>Period Ended</u> <u>May 31,</u>	<u>Amount</u>
2021	\$ 640,358
2022	659,568
2023	391,398
	<u>\$ 1,691,324</u>

NOTE 8 - CLOSEST STATION RESPONSE AGREEMENT

The Village of Mundelein and the District agree to continue to furnish each other with a fire engine and personnel for all reported structural fires as detailed in their "closest station response" agreement. The agreement is automatically renewed annually unless notice is given in advance.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 9 - CONTINGENT LIABILITIES

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 the 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.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The District purchases insurance from outside carriers for all types of coverage. There were no significant changes in insurance coverage from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

NOTE 11 - ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description - The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole but not by individual employer. That report may be obtained on-line at www.imrf.org.

Funding Policy - As set by statute, the employer Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2019 was 13.37% percent of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For 2019, the annual pension cost of \$102,103 for the Regular plan was equal to the employer's required and actual contributions.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 11 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2019	\$ 102,103	100%	\$ -
12/31/2018	103,391	100%	-
12/31/2017	99,859	100%	-

Funded Status and Funding Progress - As of December 31, 2019, the most recent actuarial valuation date, the plan was 55.72 percent funded. The actuarial accrued liability for benefits was \$1,505,831 and the actuarial value of assets was \$839,060, resulting in an underfunded actuarial accrued liability (UAAL) of \$666,771. The covered payroll (annual payroll of active employees covered by the plan) was \$763,674 and the ratio of the UAAL to the covered payroll was 87.00 percent.

The required contribution for 2019 was determined as part of the December 31, 2017 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2017, included (a) 7.50% investment rate of return (net of administrative and investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit and (d) post retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 24 year basis.

The remaining amortization period at the December 31, 2017 valuation was 24 years. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 12 - FIREFIGHTERS' PENSION FUND

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn Firefighter personnel. The Firefighters' Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.455% of their annual covered payroll. The District is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan the defined benefits and the contribution requirements of the plan members and the District are governed by the Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings. At May 31, 2020, the date of the latest actuarial valuation, the Firefighters' Pension Plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	24
Active Plan Members	33
Terminated Employees - Vested	2
	<u>59</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually to age 60 on January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 12 - FIREFIGHTERS' PENSION FUND (CONTINUED)

Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 1/2 of the change in the Consumer Price Index for the preceding calendar year. Covered employees are required to contribute 9.455% of their 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 as actuarially determined by an enrolled actuary.

Net Pension Liability - The components of the net pension liability of the Firefighters' Pension Fund as of May 31, 2020 were calculated in accordance with GASB No. 67 as follows:

Total Pension Liability	\$ 61,870,784
Plan Fiduciary Net Position	<u>(30,312,906)</u>
District's Net Pension Liability	<u><u>\$ 31,557,878</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.99%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of May 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate Used For the Total Pension Liability	5.93%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.16%
Projected Individual Salary Increases	3.75% - 14.86%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Urban)	2.25%
Inflation Rate Included	2.25%
Mortality Table	Pub-2010 Adjusted for Plan Status
Retirement Rates	100% of L&A 2020 Illinois Firefighters Rates Capped at Age 65
Disability Rates	100% of L&A 2020 Illinois Firefighters Disability Rates



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 12 - FIREFIGHTERS' PENSION FUND (CONTINUED)

Termination Rates	L&A Illinois Firefighters Termination Rates 100% of L&A 2020 Illinois Firefighters Term. Rates
Percent Married	80.00%

All rates in the economic assumptions are assumed to be annual rates, compounded on the annual basis.

Expected Return on Pension Plan Investments - The long-term expected rate of return on pension plan investments was determined using the rates provided by the investment professionals that work with the Pension Fund. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of May 31, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Corporate Bonds	1.40%
US Government Fixed Income	0.70%
US Large Cap Equities	3.60%
US Mid Cap Equities	3.90%
US Small Cap Equities	4.50%
Non-US Developed Lg. Cap Equity	5.20%
Emerging Markets Equity	7.20%
Global Real Estate - REITS	4.00%
Commodities - Long Only	0.50%

Municipal Bond Rate - The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The rate used in the actuarial assumption is the May 31, 2020 rate.

Discount Rate - The discount rate used to measure the total pension liability was 5.39%. The projection of cash flows used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 12 - FIREFIGHTERS' PENSION FUND (CONTINUED)

The plan's projected net position is expected to cover future benefit payments in full for the current employees.

Sensitivity of the Discount Rate - The Net Pension Liability has been determined using the discount rate of 5.39%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
Employer Net Pension Liability	<u>\$ 42,279,459</u>	<u>\$ 31,557,878</u>	<u>\$ 23,030,112</u>

Investment Rate of Return - For the year ended May 31, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balance at May 31, 2019	<u>\$ 54,235,707</u>	<u>\$ 28,602,839</u>	<u>\$ 25,632,868</u>
Changes for the Year			
Service Cost	1,243,194	-	1,243,194
Interest	3,188,251	-	3,188,251
Actuarial Experience	(372,868)	-	(372,868)
Assumptions Changes	5,349,521	-	5,349,521
Changes of Benefit Terms	245,948	-	245,948
Contributions - Employer	-	1,681,608	(1,681,608)
Contributions - Employees	-	338,273	(338,273)
Contributions - Other	-	29,723	(29,723)
Net Investment Income	-	1,725,737	(1,725,737)
Benefits Payments, Including Refunds	(2,018,969)	(2,018,969)	-
Prior Period Audit Adjustments	-	-	-



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Countryside Fire Protection District
 NOTES TO FINANCIAL STATEMENTS
 May 31, 2020

NOTE 12 - FIREFIGHTERS' PENSION FUND (CONTINUED)

Changes in the Net Pension Liability (Continued)

Administrative Expense	-	(46,305)	46,305
Net Changes	<u>7,635,077</u>	<u>1,710,067</u>	<u>5,925,010</u>
Balance at May 31, 2020	<u>\$ 61,870,784</u>	<u>\$ 30,312,906</u>	<u>\$ 31,557,878</u>

Deferred Outflows and Inflows of Resources - At May 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 863,845	\$ 326,548
Changes in Assumptions	8,161,789	226,450
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>959,263</u>	<u>34,525</u>
Total	<u>\$ 9,984,897</u>	<u>\$ 587,523</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:

<u>Year Ended May 31,</u>	
2021	\$ 1,848,603
2022	1,862,344
2023	1,919,055
2024	1,626,556
2025	798,396
Thereafter	<u>1,342,420</u>
Total	<u>\$ 9,397,374</u>



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Countryside Fire Protection District

NOTES TO FINANCIAL STATEMENTS

May 31, 2020

NOTE 13 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 12, 2020, the date on which the financial statements were available to be issued. Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various businesses and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the District is uncertain and cannot be reasonably estimated at this time. In addition to this, on December 18, 2019, Governor JB Pritzker signed SB 1300. The law, Public Act (P.A.) 101-0610, represents the culmination of more than a decade of work by the Illinois Municipal League (IML). The law consolidates the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds, one for police officers (Article 3) and one for firefighters (Article 4), which will improve investment returns, eliminate unnecessary and redundant administrative costs, ensure more money is available to fund pension benefits and reduce the burden on local taxpayers. The law was effective as of January 1, 2020. All pension fund assets, currently reported within the fiduciary fund statements of the District, will be transferred to Firefighter's pension investment fund no later than 30 months after the effective date. This is likely to change the reporting of the pension fund as a fiduciary fund in the future financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)



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Countryside Fire Protection District
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
May 31, 2020

The District joined the Illinois Municipal Retirement Fund on June 1, 2000.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/19	\$ 839,060	\$ 1,505,831	\$ 666,771	55.72%	\$ 763,674	87.31%
12/31/18	657,884	1,390,275	732,391	47.32%	722,001	101.44%
12/31/17	518,905	1,178,184	659,279	44.04%	705,718	93.42%

On a market value basis, the actuarial value of assets as of December 31, 2019 is \$932,361. On a market basis, the funded ratio would be 61.92%.

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



Countryside Fire Protection District
FIREFIGHTERS' PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY
May 31, 2020

	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY						
Service Cost	\$ 1,243,194	\$ 1,258,240	\$ 1,279,926	\$ 1,207,819	\$ 1,098,703	\$ 867,429
Interest	3,188,251	3,003,466	2,851,999	2,713,683	2,122,263	2,359,790
Changes of Benefit Terms	245,948	-	-	-	-	-
Differences Between Expected and Actual Experience	(372,868)	745,662	98,221	44,311	457,506	-
Changes in Assumptions	5,349,521	80,727	(231,434)	(131,811)	7,560,243	-
Benefit Payments and Refunds	(2,018,969)	(1,820,325)	(1,605,900)	(1,428,406)	(1,355,237)	(1,304,909)
Net Change in Total Pension Liability	7,635,077	3,267,770	2,392,812	2,405,596	9,883,478	1,922,310
Total Pension Liability - Beginning	54,235,707	50,967,937	48,575,125	46,169,529	36,286,051	34,363,741
Total Pension Liability - Ending	<u>\$ 61,870,784</u>	<u>\$ 54,235,707</u>	<u>\$ 50,967,937</u>	<u>\$ 48,575,125</u>	<u>\$ 46,169,529</u>	<u>\$ 36,286,051</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 1,681,608	\$ 1,321,427	\$ 1,428,750	\$ 1,169,270	\$ 1,004,370	\$ 946,964
Contributions - Members	338,273	347,028	332,942	334,709	316,318	300,833
Contributions - Other	29,723	15,926	-	-	-	-
Income (Loss) on Investments	1,725,737	726,914	1,880,422	1,767,998	(342,585)	958,835
Benefit Payments and Refunds	(2,018,969)	(1,820,325)	(1,605,900)	(1,428,406)	(1,355,237)	(1,304,909)
Administrative Expenses	(46,305)	(49,420)	(35,761)	(41,574)	(55,238)	(32,805)
Prior Period Audit Adjustment	-	(14)	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,710,067	541,536	2,000,453	1,801,997	(432,372)	868,918
Plan Fiduciary Net Position - Beginning	28,602,839	28,061,303	26,060,836	24,258,839	24,691,211	23,822,293
Plan Fiduciary Net Position - Ending	<u>\$ 30,312,906</u>	<u>\$ 28,602,839</u>	<u>\$ 28,061,289</u>	<u>\$ 26,060,836</u>	<u>\$ 24,258,839</u>	<u>\$ 24,691,211</u>
Employer Net Pension Liability - Ending	<u>\$ 31,557,878</u>	<u>\$ 25,632,868</u>	<u>\$ 22,906,648</u>	<u>\$ 22,514,289</u>	<u>\$ 21,910,690</u>	<u>\$ 11,594,840</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.99%	52.74%	55.06%	53.65%	52.54%	68.05%
Covered-Employee Payroll	\$ 3,671,504	\$ 3,622,919	\$ 3,713,019	\$ 3,596,144	\$ 4,143,851	\$ 3,146,146
Employer Net Pension Liability as a Percentage of Covered-Employee Payroll	859.54%	707.52%	616.93%	626.07%	528.75%	368.54%

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



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Countryside Fire Protection District
FIREFIGHTERS' PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
May 31, 2020

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
2020	\$ 1,673,609	\$ 1,681,608	\$ (7,999)	\$ 3,671,504	45.80%
2019	1,550,704	1,321,427	(229,277)	3,622,919	36.47%
2018	1,437,306	1,428,750	(8,556)	3,713,019	38.48%
2017	1,288,286	1,169,270	(119,016)	3,596,144	32.51%
2016	1,246,304	1,004,370	(241,934)	4,143,851	24.24%
2015	856,756	946,964	90,208	3,146,146	30.10%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	May 31, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded Over 24 Years
Asset Valuation Method	4-Year Smoothed Market Value

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

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



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Countryside Fire Protection District
FIREFIGHTERS' PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
May 31, 2020

<u>Fiscal Year Ended May 31,</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2020	5.92%
2019	7.00%
2018	7.00%
2017	7.54%
2016	-1.28%
2015	4.27%

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



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Countryside Fire Protection District

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2020

NOTE 1 - LEGAL COMPLIANCE AND ACCOUNTABILITY

A. Budget

The District budgets on the modified cash basis of accounting. The appropriation ordinance, which is the legal authority to spend, was passed on July 18, 2019 and was last amended on June 18, 2020.

The level of control (level at which expenditures may not exceed appropriations) is at the fund level. All appropriations lapse at the fiscal year-end.

Management controls the operations of the District through the use of the operating budget. The operating budget is equal to legally adopted appropriation. The operating budget is reflected in these financial statements to provide a more meaningful comparison of planned to actual operations.



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Countryside Fire Protection District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
GENERAL FUND

For the Year Ended May 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 5,815,658	\$ 6,001,191	\$ 5,884,749	\$ (116,442)
Other Receipts	373,065	473,013	414,981	(58,032)
Total Revenues	<u>6,188,723</u>	<u>6,474,204</u>	<u>6,299,730</u>	<u>(174,474)</u>
EXPENDITURES				
Wages and Benefits	4,948,113	4,966,605	4,966,613	(8)
Contractual Services	970,250	822,155	822,149	6
Office Expenses	37,025	26,412	26,399	13
Capital Expenses	54,800	30,615	30,612	3
Commissions	3,650	3,640	3,640	-
Operational Expenses	210,745	168,715	168,685	30
Building and Vehicle Expenses	123,300	103,168	103,158	10
Total Expenditures	<u>6,347,883</u>	<u>6,121,310</u>	<u>6,121,256</u>	<u>54</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (159,160)</u>	<u>\$ 352,894</u>	178,474	<u>\$ (174,420)</u>
Fund Balances				
Beginning of Year			<u>1,181,336</u>	
End of Year			<u>\$ 1,359,810</u>	



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Countryside Fire Protection District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
AMBULANCE FUND

For the Year Ended May 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,515,250	\$ 3,669,003	\$ 3,524,037	\$ (144,966)
Other Receipts	996,735	1,324,399	1,324,402	3
Total Revenues	<u>4,511,985</u>	<u>4,993,402</u>	<u>4,848,439</u>	<u>(144,963)</u>
EXPENDITURES				
Wages and Benefits	3,272,505	3,289,761	3,289,769	(8)
Contractual Services	568,075	420,718	420,712	6
Office Expenses	37,025	29,361	29,349	12
Capital Expenses	67,300	43,603	43,600	3
Commissions	3,650	3,640	3,640	-
Operational Expenses	227,215	195,511	195,477	34
Building and Vehicle Expenses	123,300	103,168	103,157	11
Total Expenditures	<u>4,299,070</u>	<u>4,085,762</u>	<u>4,085,704</u>	<u>58</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 212,915</u>	<u>\$ 907,640</u>	762,735	<u>\$ (144,905)</u>
Fund Balances				
Beginning of Year			<u>664,502</u>	
End of Year			<u>\$ 1,427,237</u>	



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Countryside Fire Protection District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
INSURANCE FUND

For the Year Ended May 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	<u>\$ 355,900</u>	<u>\$ 368,465</u>	<u>\$ 356,942</u>	<u>\$ (11,523)</u>
Total Revenues	<u>355,900</u>	<u>368,465</u>	<u>356,942</u>	<u>(11,523)</u>
EXPENDITURES				
Unemployment/Worker's Compensation	355,000	284,239	284,238	1
Property and Umbrella Insurance	<u>33,570</u>	<u>29,818</u>	<u>29,818</u>	<u>-</u>
Total Expenditures	<u>388,570</u>	<u>314,057</u>	<u>314,056</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (32,670)</u>	<u>\$ 54,408</u>	42,886	<u>\$ (11,522)</u>
Fund Balances				
Beginning of Year			<u>117,372</u>	
End of Year			<u>\$ 160,258</u>	

OTHER DATA



Countryside Fire Protection District

TAX LEVY DATA

May 31, 2020

	Tax Levy Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed Valuations	\$ 1,746,948,818	\$ 1,696,885,820	\$ 1,664,592,916	\$ 1,601,638,949	\$ 1,504,906,565	\$ 1,443,945,886	\$ 1,453,538,031	\$ 1,538,446,263	\$ 1,666,365,343	\$ 1,786,509,727
Tax Rates (Per \$100 of Assessed Valuation)										
General Fund	0.343	0.339	0.331	0.331	0.353	0.359	0.349	0.318	0.293	0.252
Ambulance Fund	0.206	0.207	0.210	0.215	0.220	0.232	0.228	0.216	0.186	0.185
Insurance Fund	0.017	0.021	0.021	0.021	0.022	0.022	0.020	0.018	0.016	0.016
	<u>0.566</u>	<u>0.567</u>	<u>0.562</u>	<u>0.567</u>	<u>0.595</u>	<u>0.613</u>	<u>0.597</u>	<u>0.552</u>	<u>0.495</u>	<u>0.453</u>
Tax Extensions										
General Fund	\$ 5,985,256	5,741,836	\$ 5,511,103	\$ 5,343,665	\$ 5,375,439	\$ 5,180,228	\$ 5,072,847	\$ 4,892,259	\$ 4,882,450	\$ 4,502,004
Ambulance Fund	3,593,701	3,515,133	3,503,935	3,447,816	3,304,037	3,347,875	3,314,067	3,323,044	3,099,440	3,305,043
Insurance Fund	300,860	356,040	345,669	335,992	326,580	321,451	290,708	276,920	266,618	285,842
	<u>\$ 9,879,817</u>	<u>\$ 9,613,009</u>	<u>\$ 9,360,707</u>	<u>\$ 9,127,473</u>	<u>\$ 9,006,056</u>	<u>\$ 8,849,554</u>	<u>\$ 8,677,622</u>	<u>\$ 8,492,223</u>	<u>\$ 8,248,508</u>	<u>\$ 8,092,889</u>
Collections	<u>410,467</u>	<u>\$ 9,607,256</u>	<u>\$ 9,345,627</u>	<u>\$ 9,105,442</u>	<u>\$ 8,979,572</u>	<u>\$ 8,828,284</u>	<u>\$ 8,622,874</u>	<u>\$ 8,465,779</u>	<u>\$ 8,234,185</u>	<u>\$ 8,087,822</u>
Percent Collected	<u>4.15%</u>	<u>99.94%</u>	<u>99.84%</u>	<u>99.76%</u>	<u>99.71%</u>	<u>99.76%</u>	<u>99.37%</u>	<u>99.69%</u>	<u>99.83%</u>	<u>99.94%</u>