

**Prospect Heights Fire Protection District
Prospect Heights, Illinois
Annual Financial Report
For The Year Ended December 31, 2017**

Prospect Heights Fire Protection District
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For The Year Ended December 31, 2017

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INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Prospect Heights Fire Protection District
Prospect Heights, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Prospect Heights Fire Protection District, including the fiduciary fund, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, including the fiduciary fund, of the Prospect Heights Fire Protection District, as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and certain pension disclosures be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate, operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The major fund budgetary comparison schedules listed on the table of contents are not required parts of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. This Required Supplementary Information has been subjected to the auditing procedures applied in the audit of the financial statements for the year ending December 31, 2017 and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Prospect Heights Fire Protection District's financial statements. The combining and individual fund financial schedules for the year ended December 31, 2017 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

Knuttle & Associates, P.C.
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**Prospect Heights Fire Protection District
Management's Discussions and Analysis
December 31, 2016**

The Prospect Heights Fire Protection District (the "District") Management's Discussion and Analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

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

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements (beginning on page 8.)

Financial Highlights

- The District's financial status continues to be strong. The District concluded the year with a positive balance of \$2,426,655. Overall revenues for all funds this past year were \$4,352,665 and expenses were \$4,683,626.
- Total net position decreased from \$2,757,615 to \$2,426,665 over the course of the year.
- Property taxes levied and collected were \$3,706,885.
- The District continues to have the ability to devote resources toward maintaining, improving and expanding its equipment and facilities. In 2017, \$417,965 was spent on capital outlay for the District's infrastructure. The District purchased a new 3,000 gallon tanker truck and replaced the chassis on a 2006 ambulance.
- The District's outstanding long-term debt was at \$548,857 as of December 31, 2017.
- The District renewed its' collective bargaining agreement with its members represented by Teamsters Local 700. The agreement is in place through December 31, 2021.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. The District also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Assets*. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* that reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

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

The government-wide financial statements are presented on pages 8 - 9 of this report.

Fund Financial Statements

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

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund and major special revenue funds. Budgetary comparison schedules for other special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 10 - 11 of this report.

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Fiduciary Fund includes the pension fund. The pension fund is presented as and for the year ended April 30, 2017 as the pension plan has a fiscal year that ends April 30.

The basic fiduciary fund financial statements are presented on pages 13 through 14 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the District's Illinois Municipal Retirement Fund and Firefighters' Pension Fund. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance - budget vs. actual for each major fund is presented in this section. Supplementary information can be found on pages 37 through 43 of this report.

Other Information

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 47.

Government-wide Financial Analysis

The District implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2017. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as whole.

The District's combined net position was \$2,426,665, which includes a \$1,469,273 investment in capital assets. The total revenues were \$4,352,665, while the total expenditures were \$4, 683,626, which included \$18,511 of interest on long term debt.

Financial Analysis of the District's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$2,108,766. Of this year-end total, \$1,400,131 unreserved and undesignated, indicating availability for continuing the District's operations. Restricted fund balances include \$687,318 restricted for special revenue funds.

The total ending fund balances of governmental funds shows an increase of \$442,069 over the prior year. This decrease is primarily the result of the programs described within the analysis of the District's governmental activities.

Major Governmental Funds

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

The fund balance of the General Fund as of December 31, 2017 was \$1,131,870, a decrease of \$460,726 from the prior year. The fund balance of the Ambulance Fund as of December 31, 2017 was \$479,931, a decrease of \$119,380 from the prior year.

Major Fund Budgetary Highlights

The corporate fund is reported as a major fund, and accounts for the ambulance operations of the District. Revenues in the general fund were \$1,366,463, which was \$59,193 under budget. Expenditures were \$1,827,189, which was \$311,768 over budget. The net budget variance was an unfavorable \$370,961. The fund balance decreased to \$1,131,870 at the end of the year from \$1,592,596 in the prior year.

The ambulance fund is reported as a major fund, and accounts for the routine Fire Protection operations of the District. Revenues in the ambulance fund were \$1,616,654, which was \$39,048 under budget. Expenditures were \$1,764,878, which was \$109,176 over budget. The net budget variance was a favorable \$123,328. The fund balance decreased to \$479,931 at the end of the year from \$599,311 in the prior year.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation for governmental activities as of December 31, 2017 was \$2,014,751. During the year, the District had capital additions of \$482,842. Depreciation expense for the year ended December 31, 2017 was \$314,099.

Debt Administration

The District has two note payables with \$647,429 outstanding at December 31, 2017. During the 2017 year, the District made paid off one note in the amount of \$98,572 and continues to make principal payments on this remaining note amounting to \$56,034. There is no general obligation debt.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely affect its financial health in the near future.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Fire Chief Drew R. Smith for the Prospect Heights Fire Protection District located at 10 East Camp McDonald Road, Prospect Heights, IL 60070.

Prospect Heights Fire Protection District
Statement of Net Position
December 31, 2017

	Total Governmental Activities
ASSETS	
Cash and Investments	\$ 2,203,795
Property Taxes Receivable	4,020,539
Other Receivables, Net of Allowance	60,313
Prepaid Expenses	21,317
Net IMRF Pension Asset	1,708
Capital Assets	
Capital Assets Not Being Depreciated	200,000
Other Capital Assets, Net of Depreciation	1,841,751
Total Capital Assets	2,041,751
TOTAL ASSETS	8,349,423
DEFERRED OUTFLOWS	
IMRF Deferred Outflows	8,087
Firefighters' Pension Deferred Outflows	1,109,021
TOTAL DEFERRED OUTFLOWS	1,117,108
LIABILITIES	
Due Within One Year	
Accounts Payable	54,974
Accrued Liabilities	121,685
Notes Payable	548,857
Capital Lease	5,391
Due in More Than One Year	
Capital Lease	18,230
Net Firefighters' Pension Liability	2,096,385
TOTAL LIABILITIES	2,845,522
DEFERRED INFLOWS	
IMRF Deferred Inflows	23,588
Firefighters' Pension Deferred Outflows	150,227
Deferred Property Taxes	4,020,539
TOTAL DEFERRED INFLOWS	4,194,354
NET POSITION	
Net Investment in Capital Assets	1,469,273
Restricted Amounts	
Ambulance	479,931
Audit	1,790
Liability Insurance	630,323
IMRF	12,435
Social Security	275,652
Unrestricted Amounts	(442,749)
TOTAL NET POSITION	\$ 2,426,655

See Accompanying Notes to the Financial Statements.

Prospect Heights Fire Protection District
Statement of Activities
For The Year Ended December 31, 2017

		Program Revenues		Net (Expenses)
		Charges	Operating	Revenues and
		for	Grants and	Change in
	Expenses	Services	Contributions	Net Position
FUNCTIONS/PROGRAMS				Total
Governmental Activities				Governmental
Public Safety	\$ 4,665,115	\$ 403,775	\$ 26,973	\$ (4,234,367)
Interest	18,511	0	0	(18,511)
TOTAL	<u>4,683,626</u>	<u>403,775</u>	<u>26,973</u>	<u>(4,252,878)</u>

GENERAL REVENUES

Taxes	
Property taxes levied for general purposes	3,706,885
Replacement taxes for general purposes	113,652
Foreign Fire Tax	18,366
Rental Income	37,194
Interest Income	20,826
Miscellaneous	13,710
Recoveries, Reimbursements and Refunds	7,884
Sale of Apparatus	<u>3,400</u>

TOTAL GENERAL REVENUES 3,921,917

CHANGE IN NET POSITION (330,961)

NET POSITION,	
BEGINNING OF YEAR	2,584,901
PRIOR PERIOD ADJUSTMENT	<u>172,714</u>
BEGINNING OF YEAR, RESTATED	<u>2,757,615</u>
END OF YEAR	<u>\$ 2,426,655</u>

See Accompanying Notes to the Financial Statements.

Prospect Heights Fire Protection District
Governmental Funds
Balance Sheet
December 31, 2017

	Corporate	Ambulance	Other Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 2,203,795	\$ 0	\$ 0	\$ 2,203,795
Property Taxes Receivable	1,281,555	1,281,555	1,457,429	4,020,539
Other Receivables, Net	0	60,313	0	60,313
Prepaid Expenditures	0	0	21,317	21,317
Due From Other Funds	0	477,933	924,557	1,402,490
TOTAL ASSETS	3,485,350	1,819,801	2,403,303	7,708,454
DEFERRED OUTFLOWS	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	3,485,350	1,819,801	2,403,303	7,708,454
LIABILITIES				
Accounts Payable	19,126	19,241	16,607	54,974
Accrued Liabilities	78,254	39,074	4,357	121,685
Due To Other Funds	974,545	0	427,945	1,402,490
TOTAL LIABILITIES	1,071,925	58,315	448,909	1,579,149
DEFERRED INFLOWS				
Deferred Property Taxes	1,281,555	1,281,555	1,457,429	4,020,539
TOTAL DEFERRED INFLOWS	1,281,555	1,281,555	1,457,429	4,020,539
FUND BALANCES				
Nonspendable	0	0	21,317	21,317
Restricted	0	479,931	920,200	1,400,131
Unassigned	1,131,870	0	(444,552)	687,318
TOTAL FUND BALANCES	1,131,870	479,931	496,965	2,108,766
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 3,485,350	\$ 1,819,801	\$ 2,403,303	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	2,041,751
IMRF Net Pension Asset is not reported as an asset in the fund financial statements.	1,708
IMRF Deferred Outflows are not reported as deferred outflows in the fund financial statements.	8,087
Firefighters' Deferred Outflows are not reported as deferred inflows in the fund financial statements.	1,109,021
Notes Payable are not recorded in the fund financial statements.	(548,857)
Capital Leases are not recorded in the fund financial statements.	(23,621)
IMRF Deferred Inflows are not reported as deferred inflows in the fund financial statements.	(23,588)
Firefighters' Deferred Inflows are not reported as deferred inflows in the fund financial statements.	(150,227)
Net Fire Fighters' Pension Liability is not reported as a deferred inflow in the fund financial statements.	(2,096,385)
NET POSITION OF GOVERNMENTAL FUNDS	\$ 2,426,655

See Accompanying Notes to the Financial Statements.

Prospect Heights Fire Protection District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended December 31, 2017

	Corporate	Ambulance	Other Governmental Funds	Total
REVENUES				
Property Taxes	\$ 1,181,291	\$ 1,181,291	\$ 1,344,303	\$ 3,706,885
Replacement Tax	113,652	0	0	113,652
Foreign Fire Tax	18,366	0	0	18,366
Ambulance and Paramedic Fees	0	403,775	0	403,775
Reimbursements and Refunds	2,346	0	5,538	7,884
Sale of Apparatus	3,400	0	0	3,400
Interest	20,826	0	0	20,826
Rental Income	6,321	30,873	0	37,194
Grants and Donations	6,741	525	19,707	26,973
Miscellaneous	13,520	190	0	13,710
TOTAL REVENUES	1,366,463	1,616,654	1,369,548	4,352,665
EXPENDITURES				
Salaries & Benefits	1,474,092	1,401,528	0	2,875,620
District Administration	71,445	23,866	0	95,311
Program Administration	68,981	21,728	0	90,709
Maintenance	53,976	17,856	0	71,832
Building Improvements	149,985	101,309	0	251,294
Audit	0	0	7,750	7,750
Liability Insurance	0	0	191,561	191,561
Fire Pension	0	0	367,408	367,408
Social Security	0	0	91,613	91,613
Emergency and Rescue	0	0	433,855	433,855
Special Programs	6,711	0	0	6,711
Debt Service	0	27,025	139,324	166,349
Capital Outlay	1,999	171,566	0	173,565
TOTAL EXPENDITURES	1,827,189	1,764,878	1,231,511	4,823,578
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(460,726)	(148,224)	138,037	(470,913)
OTHER FINANCING SOURCES				
Proceeds from Issuance of Capital Lease	0	28,844	0	28,844
TOTAL OTHER FINANCING SOURCES	0	28,844	0	28,844
NET CHANGE IN FUND BALANCES	(460,726)	(119,380)	138,037	(442,069)
FUND BALANCES,				
BEGINNING OF YEAR	1,592,596	599,311	358,928	2,550,835
END OF YEAR	\$ 1,131,870	\$ 479,931	\$ 496,965	\$ 2,108,766

See Accompanying Notes to the Financial Statements.

Prospect Heights Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended December 31, 2017

Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures and Changes in Fund Balances)	\$ (442,069)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements.	(314,099)
Purchases of capital assets are treated as an expenditure in the fund financial statements.	482,842
Payments of capital lease principal are treated as expenditures in the fund financial statements.	(23,621)
Payments of note payable principal are treated as expenditures in the fund financial statements.	142,614
The change in Net IMRF Pension Liability is not considered an expenditure in the fund financial statements.	(20,430)
The change in Firefighters' Pension Deferred Outflows is not considered an expenditure in the fund financial statements.	(6,350)
The change in Firefighters' Pension Deferred Inflows is not considered an expenditure in the fund financial statements.	(115,044)
The change in Firefighters' Pension Liability is not considered an expenditure in the fund financial statements.	<u>(34,804)</u>
Change in Net Position of Governmental Activities (Statement of Activities)	<u><u>\$ (330,961)</u></u>

See Accompanying Notes to the Financial Statements.

Prospect Heights Fire Protection District
Fiduciary Funds
Statement Net Position
April 30, 2017

	Firefighters' Pension
ASSETS	
Cash and Cash Equivalents	\$ 41,172
Investments, at Fair Value	
U.S. Government Obligations	351,635
U.S. Agency Obligations	1,933,577
Corporate Obligations	268,855
State and Local Obligations	312,027
Mutual Funds	1,961,462
	<u>4,827,556</u>
Accrued Interest Receivable	26,023
Prepaid Expenses	<u>930</u>
TOTAL ASSETS	<u>4,895,681</u>
LIABILITIES	
Accounts Payable	<u>2,640</u>
TOTAL LIABILITIES	<u>2,640</u>
NET POSITION	
Restricted for Pension Benefits	<u>4,893,041</u>
TOTAL NET POSITION	<u><u>\$ 4,893,041</u></u>

See Accompanying Notes To The Financial Statements.

**Prospect Heights Fire Protection District
Fiduciary Fund
Statement of Changes in Net Position
For The Year Ended April 30, 2017**

	Firefighters' Pension
ADDITIONS	
Contributions	
Employer	\$ 348,253
Plan Members	139,596
Total Contributions	487,849
Investment Income	
Interest and Dividends	178,300
Net Change in Fair Value of Investments	141,950
	320,250
Less: Investment Expenses	13,716
Net Investment Income	306,534
TOTAL ADDITIONS	794,383
DEDUCTIONS	
Administration	20,259
Pension Benefits	32,025
TOTAL DEDUCTIONS	52,284
CHANGE IN NET POSITION	742,099
NET POSITION, BEGINNING OF YEAR	4,150,942
END OR YEAR	\$ 4,893,041

See Accompanying Notes To The Financial Statements.

Prospect Heights Fire Protection District
Notes To The Financial Statements
For The Year Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prospect Heights Fire Protection District (the District) was established in 1944 and is located in Prospect Heights, Illinois. The District operates under a Board-Fire Chief form of government. The mission of the District is to protect the lives and property within the community in a fiscally sound and responsive manner through fire prevention, public education, fire suppression, emergency medical services, and public safety.

A. Reporting Entity

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

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

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

B. GASB Pronouncements

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

As of January 1, 2015, the District has implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position.

As of January 1, 2015, the District has implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GASB Pronouncements (Continued)

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

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

C. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all non-fiduciary activities of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for good and services.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

FUND FINANCIAL STATEMENTS

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

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

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

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

Governmental Fund Types (Governmental Activities)

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

Corporate Fund

The Corporate Fund is the general operating fund of the District. It is used to account for all financial resources except those required, legally or administratively, to be accounted for in another fund.

Ambulance Fund

The Ambulance Fund is used to account for the proceeds of specific revenue sources that are restricted to the providing of ambulance services.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Funds included in this fund category are:

- Audit
- Liability Insurance
- Fire Pension
- Illinois Municipal Retirement Fund (IMRF)
- Social Security
- Emergency and Rescue

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. A brief explanation of the District's fiduciary fund follows:

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

The Firefighters' Pension Fund is used to account for assets held in a trustee capacity. The assets are not available to support District programs. The Firefighters' Pension Fund issues a publically available financial report that includes financial statements and required supplementary information. The report can be obtained by contacting the Prospect Heights Fire Protection District at 10 E Camp McDonald Road, Prospect Heights, Illinois 60070.

MAJOR FUNDS

The District reports the following major governmental funds:

- General Fund, which accounts for the District's primary operating activities as related to its fire protection services.
- Ambulance Fund, which accounts for the District's primary operating activities as related to its ambulance services.

NON-MAJOR FUNDS

The District reports the following non-major governmental funds:

- Audit
- Liability Insurance
- Fire Pension
- IMRF
- Social Security
- Emergency and Rescue

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

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

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the District's operations. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property taxes and charges for services are the primary revenue sources susceptible to accrual. The District considers property taxes available if they are due and collected within the year end. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The District reports deferred revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

The Firefighters' Pension Trust Fund, a Fiduciary Fund Type, is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan. The Pension Fund has a fiscal year that ended April 30, 2017. As a result, the fund information is presented as of April 30, 2017.

E. Measurement Focus

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

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus (Continued)

The measurement focus of all governmental and proprietary funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are included as liabilities in the government-wide and proprietary fund financial statements but are excluded from the governmental funds financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

The Firefighters' Pension Trust Fund is accounted for on a capital maintenance measurement focus. This means that all liabilities (whether current or non-current) associated with their activity are included on the balance sheet.

F. Use of Estimates

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

G. Budgetary Data

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

1. Prior to December 1, the Treasurer submits to the Finance Committee a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The proposed budget is reviewed in detail in open meetings by the Finance Committee and subsequently submitted to the Fire District Board of Trustees.
3. A work budget approved by the Fire District Board of Trustees is adopted by January 1.
4. All formal budget transfers must be approved by the Fire District Board of Trustees. Any increases to the final budget require open meetings before the Fire District Board of Trustees approval.

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

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Budget Basis of Accounting

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

I. Cash and Cash Equivalents

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

J. Interfund Receivables and Payables

Amounts due to and due from other funds may arise during the course of the District's operations because of numerous transactions between funds to finance operations, provide services, construct assets, and service debt. Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements.

K. Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for governmental activities include ambulance fees and property taxes. The District carries its receivables at cost less an allowance for doubtful accounts. On a periodic basis, the District evaluates its accounts receivable and establishes the amount of its allowance for doubtful accounts based on a history of past write-offs and collections. The allowance for doubtful accounts amounts to \$80,000 for other receivables and \$0 for property taxes receivable.

L. Prepaid Expenses/Expenditures

Payments are made to vendors for services that will benefit periods beyond December 31, 2017 are recorded as prepaid expenses/expenditures.

M. Capital Assets

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated. The District policy is to capitalize assets that have an original cost of \$1,000 or greater.

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Capital Assets (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

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

Building & Improvements	10 to 40 years
Apparatus & Vehicles	10 years
Equipment	3 to 10 years

FUND FINANCIAL STATEMENTS

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

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

N. Compensated Absences

Vacation time is awarded on January 1 and is required to be scheduled and used by employees during the fiscal year. There is no carryover of unused vacation time. Sick time is earned on a yearly basis and expensed as incurred. At December 31, 2017 compensated absences amount to \$0.

O. Property Taxes

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

The District recognizes property taxes on a levy year basis. The property taxes receivable balance of \$3,599,754 represents the uncollected portion of the 2017 extension.

P. Prior Period Adjustments

A prior period adjustment of \$172,714 was necessary to correct the firefighter deferred pension outflows balance at December 31, 2016 on the government-wide financial statements:

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

- Invested in Capital Assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Non-spendable – consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

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

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

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Equity Classifications (Continued)

Fund	Corporate	Ambulance	Non-Major Funds	Total
Non-spendable				
Prepaid Items	\$ 0	\$ 0	\$ 21,317	\$ 21,317
Restricted				
Ambulance	0	479,931	0	479,931
Audit	0	0	1,790	1,790
Liability Insurance	0	0	630,323	630,323
IMRF	0	0	12,435	12,435
Social Security	0	0	275,652	275,652
Unassigned	1,131,870	0	(444,552)	687,318
	<u>\$ 1,131,870</u>	<u>\$ 479,931</u>	<u>\$ 496,965</u>	<u>\$ 2,108,766</u>

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Bank Deposits and Investments

At December 31, 2017, the carrying amount of the District's deposits and investments was \$2,203,795 and the bank balance was \$2,250,455.

At April 30, 2017, the carrying amount of the Firefighter's Pension Trust Fund's cash deposits is \$41,172 and the bank balance is \$41,172.

B. Policies for Investments

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield. Illinois Compiled Statutes allow deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with securities guaranteed by the U.S. government, repurchase agreements, short-term commercial paper within the three highest classifications, and Illinois Funds.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name. All deposits are backed by the FDIC or the District's appropriate pledged collateral at 110% of its value.

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

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Policies for Investments (Continued)

The investments in the Firefighters' Pension Fund include investments in money market mutual funds, mutual funds, and annuities. The investments of this fund that are in security form include U.S. Treasury, Federal Agency Obligations, and State & Local Obligations.

C. Fair Value Measurements

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

The District's investments subject to fair value measurements are as follows:

Investments Type	December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income Securities				
Governmental Obligations	\$ 667,673	\$ 0	\$ 667,673	\$ 0
Non-Governmental Obligations	109,998	0	109,998	0
Total Investments Measured at Fair Value	<u>\$ 777,671</u>	<u>\$ 0</u>	<u>\$ 777,671</u>	<u>\$ 0</u>

The Firefighter's Pension Trust Fund investments subject to fair value measurements are as follows:

Investments Type	April 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 351,635	\$ 351,635	\$ 0	\$ 0
U.S. Agencies	1,933,577	0	1,933,577	0
Corporate Bonds	268,855	0	268,855	0
State and Local Bonds	312,027	0	312,027	0
Equity Securities				
Mutual Funds	1,961,462	1,961,462	0	0
Total Investments Measured at Fair Value	<u>\$ 4,827,556</u>	<u>\$ 2,313,097</u>	<u>\$ 2,514,459</u>	<u>\$ 0</u>

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

D. Investment Credit Risk

The Firefighters' Pension Fund is required to disclose credit risk associated with its debt securities, excluding U.S. government obligations or investments which are explicitly guaranteed by the full faith and credit of the federal government. The following is an illustration of credit quality with the level of investment displayed as a percentage of total investments in debt securities at April 30, 2017:

Category	AAA	AA+	AA	AA-	A+	A	A-	BBB+	Not Rated
U.S. Agency Obligations	\$ 0	\$ 1,933,577	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Corporate Obligations	36,687	40,434	30,629	24,520	35,542	65,419	0	35,624	0
State & Local Obligations	0	26,926	25,385	52,323	0	0	0	0	207,393
Total	<u>\$ 36,687</u>	<u>\$ 2,000,937</u>	<u>\$ 56,014</u>	<u>\$ 76,843</u>	<u>\$ 35,542</u>	<u>\$ 65,419</u>	<u>\$ 0</u>	<u>\$ 35,624</u>	<u>\$ 207,393</u>
Percentage of Debt Portfolio	<u>1.45%</u>	<u>77.23%</u>	<u>2.23%</u>	<u>3.06%</u>	<u>1.41%</u>	<u>2.60%</u>	<u>0.00%</u>	<u>1.42%</u>	<u>8.25%</u>

E. Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund does not have a formal written policy with regards to custodial credit risk for investments. At December 31, 2017 and April 30, 2017, respectively, the District and Firefighters' Pension Fund has over 5% of net position invested in various agency securities as indicated in the previously listed Investment Maturities table and mutual funds listed below. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

F. Interest Rate Risk

As of April 30, 2017, the Firefighters' Pension Fund's debt investments had the following maturities.

Category	Fair Value	< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
U.S. Governmental Obligations	\$ 351,635	\$ 0	\$ 248,608	\$ 103,027	\$ 0
U.S. Agency Obligations	1,933,577	75,236	690,957	1,152,448	14,936
Corporate Obligations	268,855	25,048	176,539	67,268	0
State & Local Obligations	312,027	0	150,234	135,132	26,661
Total	<u>\$ 2,866,094</u>	<u>\$ 100,284</u>	<u>\$ 1,266,338</u>	<u>\$ 1,457,875</u>	<u>\$ 41,597</u>

According to the Firefighters' Pension Fund's investment policy, "The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances, the average monthly maturity and duration of the portfolio will be maintained at approximately five years and will range from two to seven years. This type of strategy will often result in increasing maturity/duration of the portfolio when interest rates are rising and decreasing maturity/duration of the portfolio when interest rates are declining. The investment manager may change the duration of the portfolio as market conditions permit."

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the year follows. Total depreciation expense for the year charged for governmental activities was \$314,099.

	Balance at 12/31/16	Additions	Retirements	Balance at 12/31/17
Governmental Activities				
Capital Assets, Not Subject to Depreciation				
Land	\$ 200,000	\$ 0	\$ 0	\$ 200,000
Capital Assets Subject to Depreciation				
Apparatus	3,520,618	417,966	(32,011)	3,906,573
Building and Building Improvements	2,125,902	14,336	0	2,140,238
Ambulance	520,958	0	0	520,958
Rescue Equipment	532,162	0	0	532,162
Communication Equipment	217,084	0	0	217,084
Small Tools and Equipment	538,514	0	0	538,514
Clothing and Badges	177,718	28,844	0	206,562
Bunker Equipment	92,286	0	0	92,286
Equipment	80,723	0	0	80,723
Hose and Ladder	74,255	21,696	0	95,951
	<u>7,880,220</u>	<u>482,842</u>	<u>(32,011)</u>	<u>8,331,051</u>
Less Accumulated Depreciation	<u>(6,207,212)</u>	<u>(314,099)</u>	<u>32,011</u>	<u>(6,489,300)</u>
Net Capital Assets - Governmental Activities	<u>\$ 1,873,008</u>	<u>\$ 168,743</u>	<u>\$ 0</u>	<u>\$ 2,041,751</u>

NOTE 4 – DEBT COMMITMENTS

A summary of changes in long-term debt for the year ended December 31, 2017 is as follows:

	Balance at 12/31/16	Advances	Repayments	Balance at 12/31/17	Amount Due Within One Year
Governmental Activities					
First Midwest Bank	\$ 592,900	\$ 0	\$ (44,043)	\$ 548,857	\$ 548,857
State of Illinois	<u>98,571</u>	<u>0</u>	<u>(98,571)</u>	<u>0</u>	<u>0</u>
	<u>691,471</u>	<u>0</u>	<u>(142,614)</u>	<u>548,857</u>	<u>548,857</u>

The District has a note payable due to First Midwest Bank dated August 20, 2018 with an original balance of \$738,285. The note calls for fifty-nine monthly payments of \$5,094, inclusive of interest at 2.9%, and a balloon payment on August 20, 2018. The note is secured by the property of the District.

The District has a note payable to the Illinois Finance Authority dated June 18, 2012 with an original balance of \$230,000 through the Fire Truck Revolving Loan Program. The note was paid in full during 2017. The note called for seven annual payments of \$32,857, was interest free, and was secured by the general funds of the District.

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 4 – DEBT COMMITMENTS (CONTINUED)

Currently, the annual debt service requirements are as follows:

Fiscal Year Ending December 31,	Note Payable	
	Principal	Interest
2018	\$ 548,857	\$ 0
Total Principal and Interest	<u>\$ 548,857</u>	<u>\$ 0</u>

NOTE 5 – CAPITAL LEASE PAYABLE

The District is the lessee of a phone system under a capital lease expiring in 2022. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets.

The cost of the assets under the capital leases are \$28,844. The interest rate is 5.75%.

Minimum future payments under the capital leases as of December 31, 2017 are:

For the year ended December 31, 2018	\$ 6,649
2019	6,649
2020	6,649
2021	6,649
2022	<u>1,108</u>
Total Minimum Lease Payments	27,704
Less: Amount Representing Interest	<u>(4,083)</u>
Present Value of Minimum Lease Payments	<u>\$ 23,621</u>

NOTE 6 – DEFICIT FUND BALANCES

At December 31, 2017, the Emergency and Rescue Fund had a deficit fund balance of \$444,552.

NOTE 7 – EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds have an excess of actual expenditures over legally enacted budgeted amounts for the year ended December 31, 2017:

	Budget	Actual
Corporate Fund	1,515,421	1,827,189
Ambulance Fund	1,655,702	1,764,878
Emergency and Rescue Fund	509,842	573,179

NOTE 8 – 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. Medical and liability risks are covered by commercial insurance purchased from independent third parties. The amount of coverage has not decreased nor have the amount of settlements exceeded commercial insurance coverage for the past several years.

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 9 – SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2017, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is June 6, 2018 the date the financial statements were available to be issued.

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publically available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

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

Annual Pension Cost. The required contribution for calendar year was \$0.

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

In accordance with GASB statement No. 68 "Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27," the following information is provided:

Actuarial Valuation Date	December 31, 2016
Measurement Date of the Net Pension Liability	December 31, 2016
Fiscal Year End	December 31, 2017
Membership	
Number of	
- Retirees and Beneficiaries	1
- Inactive, Non-Retired Members	0
- Active Members	0
- Total	<u>1</u>
Covered Valuation Payroll	<u>\$ 49,803</u>
Net Pension Liability	
Total Pension Liability/(Asset)	\$ 64,778
Plan Fiduciary Net Position	<u>66,486</u>
Net Pension Liability/(Asset)	<u>\$ (1,708)</u>
Plan Fiduciary Net Position as a Percentage of total Pension liability	102.64%
Net Pension Liability as a Percentage of Covered Valuation Payroll	0.00%
Development of the Single Discount Rate as of December 31, 2016	
Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.78%
Last year December 31 in the 2017 to 2116 projection period for which projected benefit payments are fully funded	2116
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate Calculated using December 31, 2015 Measurement Date	7.50%
Total Pension Expense/(Income)	<u>\$ (10,236)</u>

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	\$ 1,474	\$ 23,562
2. Assumption Changes	1,810	26
3. Net Difference between projected and actual earnings on pension plan investments	4,803	0
4. Total	<u>\$ 8,087</u>	<u>\$ 23,588</u>

Deferred Outflows and Deferred Inflows of Resources by Year to be
recognized in Future Pension Expenses

Fiscal Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ (9,557)
2018	(9,345)
2019	1,643
2020	856
2021	648
Thereafter	44
Total	<u>\$ (15,711)</u>

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
	<u>100%</u>	

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

CURRENT PERIOD

Calendar Year Ended December 31, 2016

A. Total pension liability	
1.Service cost	\$ 0
2.Interest on the total pension liability	5,643
3.Changes of benefit terms	0
4.Difference between expected and actual experience of the total pension liability	(4,556)
5.Changes of assumptions	0
6.Benefit payments, including refunds of employee contributions	(23,087)
7.Net change in total pension liability	(22,000)
8.Total pension liability– beginning	86,778
9.Total pension liability – ending	<u>\$ 64,778</u>
B. Plan fiduciary net position	
1.Contributions – employer	\$ 0
2.Contributions – employee	0
3.Net investment income	4,597
4.Benefit payments, including refunds of employee contributions	(23,087)
5.Other (net transfer)	(3,669)
6.Net change in plan fiduciary net position	(22,159)
7.Plan fiduciary net position – beginning	88,645
8.Plan fiduciary net position – ending	<u>\$ 66,486</u>
C. Net pension liability/(asset)	<u>\$ (1,708)</u>
D. Plan fiduciary net position as a percentage of the total pension liability	102.64%
E. Covered Valuation Payroll	0
F. Net pension liability as a percentage of covered valuation payroll	0.00%

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information: There were no benefit changes during the year.

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting single discount rate is 7.50%.

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE
SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 70,048	\$ 64,778	\$ 60,166
Plan Fiduciary Net Position	66,486	66,486	66,486
Net Pension Liability/(Asset)	<u>\$ 3,562</u>	<u>\$ (1,708)</u>	<u>\$ (6,320)</u>

**Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017**

NOTE 11 – FIREFIGHTERS' PENSION FUND

Firefighter's Pension Plan. The Prospect Heights Fire Protection District Firefighters Pension Fund was created and is administered as prescribed by "Article 4. Firefighters' Pension Fund - Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). A brief summary of the plan provisions is provided below.

Employees attaining the age of (50) or more with (20) or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The pension shall be increased by (1/12) of (2.5%) of such monthly salary for each additional month of service over (20) years up to (30) years, to a maximum of (75%) of such monthly 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 ranging from (15%) of final salary for (10) years of service to (45.6%) for 19 years of service.

Surviving spouses receive (100%) of final salary for fatalities resulting from an act of duty, or otherwise the greater of (54%) of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children receive (12%) of final salary. The maximum family survivor benefit is (75%) of final salary.

Employees disabled in the line of duty receive (65%) of final salary.

Employees are required to contribute (9.455%) of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than twenty (20) years of service, accumulated employee contributions may be refunded without accumulated interest.

For Employees hired after January 1, 2011, the annual retirement benefit is (2.5%) of final average salary for each year of service up to (30) years, to a maximum of (75%) of such salary, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the Employee's final 8-year average salary not to exceed \$106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the Employee's benefit at the time of death.

At April 30, 2017, the date of the latest actuarial valuation, the Firefighters' Pension Fund membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but Not Receiving Benefits	1
Active Plan Members	14
	<u>16</u>

Prospect Heights Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended December 31, 2017

NOTE 11 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

At April 30, 2017, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	\$ 101,115	\$ 0
2. Assumption Changes	702,873	132,175
3. Net Difference between projected and actual earnings on pension plan investments	<u>113,721</u>	<u>18,052</u>
4. Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	917,709	150,227
5. Pension Contributions Made Subsequent to the Measurement Date	<u>191,312</u>	<u>0</u>
6. Total Deferred Amounts Related to Pensions	<u>\$ 1,109,021</u>	<u>\$ 150,227</u>

Deferred Outflows and Deferred Inflows of Resources by Year to be
recognized in Future Pension Expenses

Plan Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 94,819
2019	94,819
2020	94,819
2021	56,916
2022	61,426
Thereafter	<u>364,683</u>
Total	<u>\$ 767,482</u>

Prospect Heights Fire Protection District
IMRF Pension Disclosures
For The Year Ended December 31, 2017

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - An Amendment of GASB Statements No. 27," the financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- λ Sources of changes in the net pension liability;
- λ Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll, and
- λ Comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

Multiyear Schedule of Employer Contributions
 Illinois Municipal Retirement Fund (IMRF)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 6,395	\$ 6,395	\$ 0	\$ 57,977	11.03%
2015	5,742	5,743	(1)	49,803	11.53%
2016	0	0	0	0	0.00%
2017	0	0	0	0	0.00%

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

Prospect Heights Fire Protection District
IMRF Pension Disclosures (Continued)
For The Year Ended December 31, 2017

NOTES TO THE SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated as of December 31st of each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry-Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies : 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period).
	Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
	SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information: There were no benefit changes during the year.

Prospect Heights Fire Protection District
IMRF Pension Disclosures (Continued)
For The Year Ended December 31, 2017

Multiyear Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last 10 Plan Years (When Available)

Plan Year Ending December 31,	2016	2015	2014
Total Pension Liability			
Service cost	\$ 0	\$ 5,789	\$ 6,112
Interest on the total pension liability	5,643	9,310	8,293
Changes of benefit terms	0	0	0
Difference between expected and actual experience of the total pension liability	(4,556)	(46,726)	2,347
Changes of assumptions	0	(52)	2,881
Benefit payments, including refunds of employee contributions	(23,087)	(5,895)	(5,592)
Net change in total pension liability	(22,000)	(37,574)	14,041
Total pension liability— beginning	86,778	124,352	110,311
Total pension liability – ending	<u>\$ 64,778</u>	<u>\$ 86,778</u>	<u>\$ 124,352</u>
Plan fiduciary net position			
Contributions – employer	\$ 0	\$ 5,743	\$ 6,395
Contributions – employee	0	2,241	2,609
Net investment income	4,597	406	4,477
Benefit payments, including refunds of employee contributions	(23,087)	(5,895)	(5,592)
Other (net transfer)	(3,669)	6,046	528
Net change in plan fiduciary net position	(22,159)	8,541	8,417
Plan fiduciary net position			
Beginning	88,645	80,104	71,687
Ending	<u>\$ 66,486</u>	<u>\$ 88,645</u>	<u>\$ 80,104</u>
Net pension liability/(asset)	<u>\$ (1,708)</u>	<u>\$ (1,867)</u>	<u>\$ 44,248</u>
Plan fiduciary net position as a percentage of the total pension liability	102.64%	102.15%	64.42%
Covered Valuation Payroll	\$ 0	\$ 49,803	\$ 57,977
Net pension liability as a percentage of covered valuation payroll	0.00%	(3.75)%	76.32%

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

Prospect Heights Fire Protection District
Firefighters' Pension Disclosures
For The Year Ended December 31, 2017

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
4/30/2015	\$ 295,619	\$ 296,475	\$ (856)	\$ 1,491,197	19.88%
4/30/2016	293,400	322,103	(28,703)	1,531,984	21.03%
4/30/2017	324,023	348,253	(24,230)	1,438,319	24.21%

Actuarial Assumptions (Economic)

Valuation Date	May 1, 2017
Discount Rate used for the Total Pension Liability	6.50%
Long-Term Expected Rate of Return on Plan Assets	6.50%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.82%
Projected Individual Salary Increases	3.75 - 11.46%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Valuation Date	May 1, 2017
Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at Age 65
Disability Rates	L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80.00%

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

**Prospect Heights Fire Protection District
Firefighters' Pension Disclosures (Continued)
For The Year Ended December 31, 2017**

SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION LIABILITY

Plan Year Ending April 30,	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 459,427	\$ 444,606	\$ 427,562
Interest	402,773	300,002	256,388
Change of Benefit Terms	0	0	0
Differences Between Expected and Actual Experience	91,268	20,889	(113,949)
Changes in Assumptions	(144,540)	831,605	382,732
Benefit Payments and Refunds	(32,025)	0	0
Net change in total pension liability	776,903	1,597,102	952,733
Total pension liability— beginning	6,212,523	4,615,421	3,662,688
Total pension liability – ending	<u>\$6,989,426</u>	<u>\$6,212,523</u>	<u>\$4,615,421</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 348,253	\$ 322,103	\$ 296,475
Contributions - Member	139,596	143,211	139,836
Net Investment Income	306,534	61,708	150,348
Benefit Payments and Refunds	(32,025)	0	0
Administrative Expense	(20,259)	(17,386)	(13,138)
Other	0	0	0
Net Change in Plan Fiduciary Net Position	742,099	509,636	573,521
Plan Fiduciary Net Position Beginning	4,150,942	3,641,306	3,067,785
Ending	<u>\$4,893,041</u>	<u>\$4,150,942</u>	<u>\$3,641,306</u>
Employer Net Pension Liability	<u>\$2,096,385</u>	<u>\$2,061,581</u>	<u>\$ 974,115</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.01%	66.82%	78.89%
Covered-Employee Payroll	\$1,438,319	\$1,531,984	\$1,491,197
Employer Net Pension Liability as a Percentage of Covered Employee-Payroll	145.75%	134.57%	65.32%

Prospect Heights Fire Protection District
Corporate Fund
Budgetary Comparison Schedule
For The Year Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 1,305,056	\$ 1,305,056	\$ 1,181,291	\$ (123,765)
Replacement Tax	100,000	100,000	113,652	13,652
Foreign Fire Tax	15,000	15,000	18,366	3,366
Recoveries, Reimbursements and Refunds	0	0	2,346	2,346
Sale of Apparatus	0	0	3,400	3,400
Interest	100	100	20,826	20,726
Rental Income	0	0	6,321	6,321
Grants and Donations	0	0	6,741	6,741
Miscellaneous	5,500	5,500	13,520	8,020
TOTAL REVENUES	1,425,656	1,425,656	1,366,463	(59,193)
EXPENDITURES				
Salaries & Benefits	1,124,595	1,124,595	1,474,092	(349,497)
District Administration	60,575	60,575	71,445	(10,870)
Program Administration	60,500	60,500	68,981	(8,481)
Maintenance	97,600	97,600	53,976	43,624
Building Improvements	102,500	102,500	149,985	(47,485)
Special Programs	20,054	20,054	6,711	13,343
Capital Outlay	0	0	1,999	(1,999)
Contingency	49,597	49,597	0	49,597
TOTAL EXPENDITURES	1,515,421	1,515,421	1,827,189	(311,768)
NET CHANGE IN FUND BALANCE	\$ (89,765)	\$ (89,765)	(460,726)	\$ (370,961)
FUND BALANCE,				
BEGINNING OF YEAR			<u>1,592,596</u>	
END OF YEAR			<u>\$ 1,131,870</u>	

**Prospect Heights Fire Protection District
Ambulance Fund
Budgetary Comparison Schedule
For The Year Ended December 31, 2017**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 1,305,056	\$ 1,305,056	\$ 1,181,291	\$ (123,765)
Ambulance and Paramedic Fees	315,000	315,000	403,775	88,775
Rental Income	35,646	35,646	30,873	(4,773)
Grants and Donations	0	0	525	525
Miscellaneous	0	0	190	190
TOTAL REVENUES	<u>1,655,702</u>	<u>1,655,702</u>	<u>1,616,654</u>	<u>(39,048)</u>
EXPENDITURES				
Salaries & Benefits	1,359,030	1,359,030	1,401,528	(42,498)
District Administration	55,575	55,575	23,866	31,709
Program Administration	29,000	29,000	21,728	7,272
Maintenance	42,750	42,750	17,856	24,894
Building Improvements	119,750	119,750	101,309	18,441
Capital Outlay	0	0	171,566	(171,566)
Debt Service	0	0	27,025	(27,025)
Contingency	49,597	49,597	0	49,597
TOTAL EXPENDITURES	<u>1,655,702</u>	<u>1,655,702</u>	<u>1,764,878</u>	<u>(109,176)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>(148,224)</u>	<u>(148,224)</u>
OTHER FINANCING SOURCES				
Proceeds from Issuance of Capital Lease	<u>0</u>	<u>0</u>	<u>28,844</u>	<u>28,844</u>
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>28,844</u>	<u>28,844</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	<u>(119,380)</u>	<u>\$ (119,380)</u>
FUND BALANCE,				
BEGINNING OF YEAR			<u>599,311</u>	
END OF YEAR			<u>\$ 479,931</u>	

Prospect Heights Fire Protection District
Corporate Fund
Schedule of Expenditures
Budget and Actual
For The Year Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
SALARIES AND BENEFITS				
Salaries and Wages	\$ 944,095	\$ 944,095	\$ 1,302,738	\$ (358,643)
Hospital, Medical, and Dental Insurance	177,750	177,750	164,150	13,600
Deferred Compensation	0	0	1,191	(1,191)
Payroll Service	2,750	2,750	6,013	(3,263)
TOTAL SALARIES AND BENEFITS	1,124,595	1,124,595	1,474,092	(349,497)
DISTRICT ADMINISTRATION				
Trustee Compensation	10,000	10,000	2,500	7,500
Fire Commission	7,900	7,900	4,686	3,214
Postage and Printing	5,050	5,050	8,556	(3,506)
Office Supplies	16,500	16,500	24,493	(7,993)
Public Relations	2,000	2,000	1,712	288
Legal	15,000	15,000	22,458	(7,458)
Publications	2,125	2,125	2,084	41
Affiliations and Dues	500	500	2,197	(1,697)
TOTAL DISTRICT ADMINISTRATION	60,575	60,575	71,445	(10,870)
PROGRAM ADMINISTRATION				
Firefighter Training	47,000	47,000	41,281	5,719
Public Fire Education	4,000	4,000	3,136	864
Fire Prevention Bureau	4,000	4,000	1,745	2,255
MABAS	5,500	5,500	5,000	500
Safety and Fitness	0	0	17,819	(17,819)
TOTAL PROGRAM ADMINISTRATION	60,500	60,500	68,981	(8,481)
MAINTENANCE				
Apparatus	59,250	59,250	22,379	36,871
Fuel	19,750	19,750	22,960	(3,210)
Small Tool	14,850	14,850	1,834	13,016
Communication Equipment	3,750	3,750	6,803	(3,053)
TOTAL MAINTENANCE	97,600	97,600	53,976	43,624
SUBTOTAL FORWARD	\$ 1,343,270	\$ 1,343,270	\$ 1,668,494	\$ (325,224)

Prospect Heights Fire Protection District
Corporate Fund
Schedule of Expenditures (Continued)
Budget and Actual
For The Year Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
SUBTOTAL FORWARDED	\$ 1,343,270	\$ 1,343,270	\$ 1,668,494	\$ (325,224)
BUILDING IMPROVEMENTS				
Building Improvement	0	0	12,118	(12,118)
Building Maintenance	0	0	13,445	(13,445)
Custodial Supplies	2,750	2,750	492	2,258
Electric	9,500	9,500	3,038	6,462
Natural Gas	6,500	6,500	6,082	418
Telephone	5,000	5,000	2,825	2,175
Water	2,000	2,000	2,662	(662)
Emergency Dispatch	76,750	76,750	109,061	(32,311)
Reimbursed Expenses	0	0	262	(262)
TOTAL BUILDING IMPROVEMENTS	<u>102,500</u>	<u>102,500</u>	<u>149,985</u>	<u>(47,485)</u>
SPECIALIZED PROGRAMS				
Fire Alarm Monitor Maintenance	<u>20,054</u>	<u>20,054</u>	<u>6,711</u>	<u>13,343</u>
TOTAL SPECIALIZED PROGRAMS	<u>20,054</u>	<u>20,054</u>	<u>6,711</u>	<u>13,343</u>
CAPITAL OUTLAY				
Small Tools	0	0	621	(621)
Other	<u>0</u>	<u>0</u>	<u>1,378</u>	<u>(1,378)</u>
TOTAL CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>1,999</u>	<u>(1,999)</u>
CONTINGENCY	<u>49,597</u>	<u>49,597</u>	<u>0</u>	<u>49,597</u>
TOTAL EXPENDITURES	<u>\$ 1,515,421</u>	<u>\$ 1,515,421</u>	<u>\$ 1,827,189</u>	<u>\$ (311,768)</u>

Prospect Heights Fire Protection District
Ambulance Fund
Schedule of Expenditures
Budget and Actual
For The Year Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
SALARIES AND BENEFITS				
Salaries and Wages	\$ 1,177,030	\$ 1,177,030	\$ 1,195,464	\$ (18,434)
Hospital, Medical, and Dental Insurance	179,250	179,250	203,175	(23,925)
Deferred Compensation	0	0	2,889	(2,889)
Payroll Service	2,750	2,750	0	2,750
TOTAL SALARIES AND BENEFITS	1,359,030	1,359,030	1,401,528	(42,498)
DISTRICT ADMINISTRATION				
Trustee Compensation	5,000	5,000	12,500	(7,500)
Fire Commission	7,900	7,900	2,500	5,400
Postage and Printing	3,050	3,050	2,126	924
Office Supplies	16,500	16,500	3,509	12,991
Legal	15,000	15,000	0	15,000
Public Relations	8,125	8,125	3,231	4,894
TOTAL DISTRICT ADMINISTRATION	55,575	55,575	23,866	31,709
PROGRAM ADMINISTRATION				
Firefighter Training	8,000	8,000	4,194	3,806
EMS Training	10,000	10,000	7,266	2,734
EMS Services	9,000	9,000	8,451	549
Public Fire Education	2,000	2,000	1,817	183
TOTAL PROGRAM ADMINISTRATION	29,000	29,000	21,728	7,272
MAINTENANCE				
Apparatus	19,500	19,500	16,463	3,037
Fuel	19,750	19,750	1,047	18,703
Communication Equipment	3,500	3,500	346	3,154
TOTAL MAINTENANCE	42,750	42,750	17,856	24,894
BUILDING IMPROVEMENTS				
Dispatch	76,750	76,750	53,891	22,859
Building Maintenance	23,750	23,750	25,247	(1,497)
Telephone	2,000	2,000	1,028	972
Reimbursed Expenses	17,250	17,250	21,143	(3,893)
TOTAL BUILDING IMPROVEMENTS	119,750	119,750	101,309	18,441
CAPITAL OUTLAY	0	0	171,566	(171,566)
DEBT SERVICE	0	0	27,025	(27,025)
CONTINGENCY	49,597	49,597	0	49,597
TOTAL EXPENDITURES	\$ 1,655,702	\$ 1,655,702	\$ 1,764,878	\$ (109,176)

Prospect Heights Fire Protection District
Non-Major Fund
Combining Balance Sheet
December 31, 2017

	Special Revenue Funds						
	Audit	Liability Insurance	Fire Pension	IMRF	Social Security	Emergency and Rescue	Total
ASSETS							
Property Taxes							
Receivable	\$ 9,026	\$ 464,228	\$ 420,785	\$ 0	\$ 215,254	\$ 348,136	\$ 1,457,429
Prepaid Expenditures	0	21,317	0	0	0	0	21,317
Due From Other Funds	1,790	630,323	0	12,435	280,009	0	924,557
TOTAL ASSETS	10,816	1,115,868	420,785	12,435	495,263	348,136	2,403,303
DEFERRED OUTFLOWS	0	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	10,816	1,115,868	420,785	12,435	495,263	348,136	2,403,303
LIABILITIES							
Accounts Payable	0	0	0	0	0	16,607	16,607
Accrued Expenses	0	0	0	0	4,357	0	4,357
Due To Other Funds	0	0	0	0	0	427,945	427,945
TOTAL LIABILITIES	0	0	0	0	4,357	444,552	448,909
DEFERRED INFLOWS							
Deferred Property Taxes	9,026	464,228	420,785	0	215,254	348,136	1,457,429
TOTAL DEFERRED INFLOWS	9,026	464,228	420,785	0	215,254	348,136	1,457,429
FUND BALANCES (DEFICIT)							
Nonspendable	0	21,317	0	0	0	0	21,317
Restricted	1,790	630,323	0	12,435	275,652	0	920,200
Unassigned	0	0	0	0	0	(444,552)	(444,552)
TOTAL FUND BALANCES (DEFICIT)	1,790	651,640	0	12,435	275,652	(444,552)	496,965
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 10,816	\$ 1,115,868	\$ 420,785	\$ 12,435	\$ 495,263	\$ 348,136	\$ 2,403,303

Prospect Heights Fire Protection District
Non-Major Funds
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficits)
For The Fiscal Year Ended December 31, 2017

	Special Revenue Funds						Total
	Audit	Liability Insurance	Fire Pension	IMRF	Social Security	Emergency and Rescue	
REVENUES							
Property Taxes	\$ 8,320	\$ 449,262	\$ 367,408	\$ 0	\$ 198,413	\$ 320,900	\$ 1,344,303
Grants and Donations	0	0	0	0	0	19,707	19,707
Recoveries, Reimbursements and Refunds	0	5,538	0	0	0	0	5,538
TOTAL REVENUES	<u>8,320</u>	<u>454,800</u>	<u>367,408</u>	<u>0</u>	<u>198,413</u>	<u>340,607</u>	<u>1,369,548</u>
EXPENDITURES							
Audit	7,750	0	0	0	0	0	7,750
Liability Insurance	0	191,561	0	0	0	0	191,561
Fire Pension	0	0	367,408	0	0	0	367,408
Social Security	0	0	0	0	91,613	0	91,613
Emergency and Rescue	0	0	0	0	0	573,179	573,179
TOTAL EXPENDITURES	<u>7,750</u>	<u>191,561</u>	<u>367,408</u>	<u>0</u>	<u>91,613</u>	<u>573,179</u>	<u>1,231,511</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	570	263,239	0	0	106,800	(232,572)	138,037
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>1,220</u>	<u>388,401</u>	<u>0</u>	<u>12,435</u>	<u>168,852</u>	<u>(211,980)</u>	<u>358,928</u>
END OF YEAR	<u>\$ 1,790</u>	<u>\$ 651,640</u>	<u>\$ 0</u>	<u>\$ 12,435</u>	<u>\$ 275,652</u>	<u>\$ (444,552)</u>	<u>\$ 496,965</u>

Prospect Heights Fire Protection District
Audit Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Fiscal Year Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 8,347	\$ 8,347	\$ 8,320	\$ (27)
TOTAL REVENUES	8,347	8,347	8,320	(27)
EXPENDITURES				
Audit	8,067	8,067	7,750	317
TOTAL EXPENDITURES	8,067	8,067	7,750	317
NET CHANGE IN FUND BALANCE	<u>\$ 280</u>	<u>\$ 280</u>	570	<u>\$ 290</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,220</u>	
END OF YEAR			<u>\$ 1,790</u>	

Prospect Heights Fire Protection District
 Liability Insurance Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For The Fiscal Year Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 450,707	\$ 450,707	\$ 449,262	\$ (1,445)
Recoveries, Reimbursements and Refunds	0	0	5,538	5,538
TOTAL REVENUES	<u>450,707</u>	<u>450,707</u>	<u>454,800</u>	<u>4,093</u>
EXPENDITURES				
Liability Insurance	<u>450,707</u>	<u>450,707</u>	<u>191,561</u>	<u>259,146</u>
TOTAL EXPENDITURES	<u>450,707</u>	<u>450,707</u>	<u>191,561</u>	<u>259,146</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	263,239	<u>\$ 263,239</u>
FUND BALANCE, BEGINNING OF YEAR			<u>388,401</u>	
END OF YEAR			<u>\$ 651,640</u>	

Prospect Heights Fire Protection District
Fire Pension Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>With Final Budget</u>
REVENUES				
Property Taxes	\$ 367,691	\$ 367,691	\$ 367,408	\$ (283)
TOTAL REVENUES	<u>367,691</u>	<u>367,691</u>	<u>367,408</u>	<u>(283)</u>
EXPENDITURES				
Pension	<u>367,691</u>	<u>367,691</u>	<u>367,408</u>	<u>283</u>
TOTAL EXPENDITURES	<u>367,691</u>	<u>367,691</u>	<u>367,408</u>	<u>283</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
FUND BALANCE, BEGINNING OF YEAR			<u>0</u>	
END OF YEAR			<u>\$ 0</u>	

Prospect Heights Fire Protection District
IMRF Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
No Legalley Adopted Budget
For The Fiscal Year Ended December 31, 2017

REVENUES	
Property Taxes	\$ 0
TOTAL REVENUES	0
EXPENDITURES	
IMRF	0
TOTAL EXPENDITURES	0
NET CHANGE IN FUND BALANCE	0
FUND BALANCE, BEGINNING OF YEAR	12,435
END OF YEAR	\$ 12,435

Prospect Heights Fire Protection District
Social Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>With Final Budget</u>
REVENUES				
Property Taxes	\$ 199,051	\$ 199,051	\$ 198,413	\$ (638)
TOTAL REVENUES	<u>199,051</u>	<u>199,051</u>	<u>198,413</u>	<u>(638)</u>
EXPENDITURES				
Social Security	<u>199,051</u>	<u>199,051</u>	<u>91,613</u>	<u>107,438</u>
TOTAL EXPENDITURES	<u>199,051</u>	<u>199,051</u>	<u>91,613</u>	<u>107,438</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	106,800	<u>\$ 106,800</u>
FUND BALANCE, BEGINNING OF YEAR			<u>168,852</u>	
END OF YEAR			<u>\$ 275,652</u>	

Prospect Heights Fire Protection District
Emergency and Rescue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Deficit
Budget and Actual
For The Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>With Final Budget</u>
REVENUES				
Property Taxes	\$ 509,842	\$ 509,842	\$ 320,900	\$ (188,942)
Grants and Donations	0	0	19,707	19,707
TOTAL REVENUES	<u>509,842</u>	<u>509,842</u>	<u>340,607</u>	<u>(169,235)</u>
EXPENDITURES				
Salaries & Benefits	218,020	218,020	59	217,961
District Administration	0	0	1,060	(1,060)
Program Administration	8,000	8,000	10,261	(2,261)
Maintenance	25,000	25,000	86,086	(61,086)
Building Improvements	21,750	21,750	19,543	2,207
Capital Outlay	175,944	175,944	316,846	(140,902)
Debt Payments	61,128	61,128	139,324	(78,196)
TOTAL EXPENDITURES	<u>509,842</u>	<u>509,842</u>	<u>573,179</u>	<u>(63,337)</u>
NET CHANGE IN FUND DEFICIT	<u>\$ 0</u>	<u>\$ 0</u>	<u>(232,572)</u>	<u>\$ (232,572)</u>
FUND DEFICIT,				
BEGINNING OF YEAR			<u>(211,980)</u>	
END OF YEAR			<u>\$ (444,552)</u>	