

EAST DUNDEE AND COUNTRYSIDE
FIRE PROTECTION DISTRICT,
ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

March 31, 2020

Members of the Board of Trustees
East Dundee and Countryside Fire Protection District
East Dundee, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Dundee and Countryside Fire Protection District, Illinois, as of and for the year ended December 31, 2019, 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Dundee and Countryside Fire Protection District, Illinois, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Dundee and Countryside Fire Protection District, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2019

Our discussion and analysis of the East Dundee and Countryside Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2019. Please read it in conjunction with District's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The District's total net position decreased \$168,262, resulting in ending net position of (\$1,573,461).
- During the fiscal year, the District generated \$494,103 in program revenues and \$2,387,533 in general revenues. Entity-wide expenses for the year totaled \$3,049,898, resulting in the decrease to net position of \$168,262.
- The General Fund reported a decrease for the year of \$62,767, resulting in ending fund balance of \$1,042,592.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 - 12) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

The government-wide financial statements provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 10 - 12 of this report.

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

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

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund, the General Fund, for which the District adopts an annual budget. Budgetary comparison schedules are provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 17 - 18 of this report.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS ANNUAL REPORT – Continued

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 - 47 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 48 - 53 of this report. The budgetary comparison schedules can be found on pages 54 - 57.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, liabilities/deferred inflows exceeded assets/deferred outflows by \$1,573,461 during the year.

	Net Position	
	12/31/2019	12/31/2018
Current and Other Assets	\$ 6,140,441	6,009,484
Capital Assets	5,086,506	5,294,611
Total Assets	11,226,947	11,304,095
Deferred Outflows	120,849	589,151
Total Assets/Deferred Outflows	11,347,796	11,893,246
Long-Term Liabilities	6,084,193	7,680,265
Other Liabilities	720,882	706,366
Total Liabilities	6,805,075	8,386,631
Deferred Inflows	6,116,182	4,911,814
Total Liabilities/Deferred Inflows	12,921,257	13,298,445
Net Position		
Net Investment in Capital Assets	161,955	123,593
Restricted	28,918	21,161
Unrestricted	(1,764,334)	(1,549,953)
Total Net Pension	(1,573,461)	(1,405,199)

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	12/31/2019	12/31/2018
Revenues		
Program Revenues		
Charges for Services	\$ 494,103	420,979
General Revenues		
Property Taxes	2,333,760	2,170,465
Replacement Taxes	25,372	20,408
Foreign Fire Insurance Tax	14,023	14,842
Interest Income	1,494	1,488
Miscellaneous	12,884	50,695
Total Revenues	<u>2,881,636</u>	<u>2,678,877</u>
Expenses		
Public Safety	2,852,821	2,805,710
Interest on Long-Term Debt	197,077	204,623
Total Expenses	<u>3,049,898</u>	<u>3,010,333</u>
Change in Net Position	(168,262)	(331,456)
Net Position - Beginning	<u>(1,405,199)</u>	<u>(1,073,743)</u>
Net Position - Ending	<u><u>(1,573,461)</u></u>	<u><u>(1,405,199)</u></u>

Net position of the District's governmental activities decreased by \$168,262. Revenues for the current year of \$2,881,636 increased \$202,759, or 7.6 percent, due primarily to the District collecting higher property taxes in the current fiscal year. Expenses for the current year of \$3,049,898 increased \$39,565, or 1.3 percent. The increase in expenses is due to increase of deferred items related to the Firefighters' pension and retiree benefits plan.

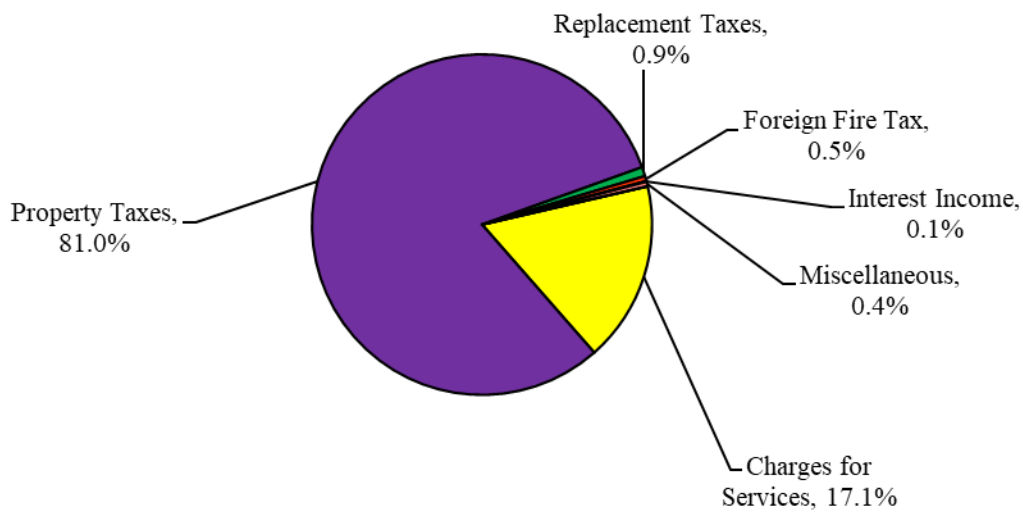
EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

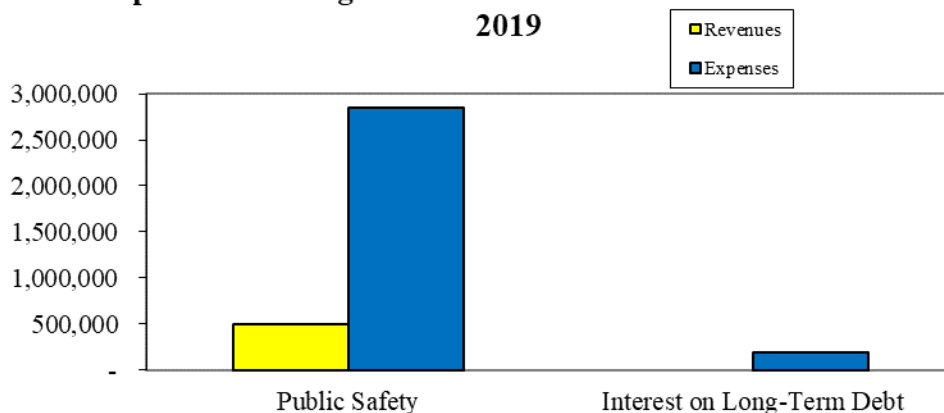
The following chart graphically illustrates the District's significant reliance on property taxes to fund operations.

Revenues by Source - Governmental Activities - 2019



The following 'Expenses and Program Revenues' Tables further illustrates the District's reliance on general revenues to fund operations. Only a small portion of revenues come from public safety charges for services.

Expenses and Program Revenues - Governmental Activities - 2019



EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Fund

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

As of the end of the current fiscal year, the General Fund reported ending fund balance of \$1,042,592, which is \$62,767 lower than beginning fund balance of \$1,105,359. This is due to the District's increase in the public safety expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District Board made one budget amendment to the General Fund budget once it was approved. Actual revenues of \$2,881,636 were \$4,947 higher than final budgeted revenues of \$2,876,689. This was due to charges for services being higher than budgeted by \$104,856 offset by intergovernmental being lower than budgeted by \$100,000.

Actual expenditures of \$2,984,593 were \$85,514 over the final budgeted expenditures of \$2,899,079. This was due primarily to the District's full-time employee and workers' compensation expenditures being \$54,651 and \$19,138, respectively, more than what was budgeted. In addition capital outlay was \$36,690 more than budgeted.

DEBT ADMINISTRATION

The District's long-term debt outstanding at December 31, 2019 totaled \$4,934,837, compared to a beginning balance of \$5,205,388. The District's long-term debt outstanding is as follows:

	Long-Term Debt Outstanding	
	12/31/2019	12/31/2018
Compensated Absences	\$ 10,286	34,370
General Obligation Bonds	4,225,000	4,445,000
Debt Certificates	395,000	435,000
Installment Contract	304,551	291,018
	<u>4,934,837</u>	<u>5,205,388</u>

Additional information on the District's long-term debt can be found in the note 3 to the financial statements.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2019

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of December 31, 2019 were \$5,086,506 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land improvements, buildings and improvements, machinery and equipment, vehicles, and furniture and fixtures.

The total decrease in the District's investment in capital assets for the current fiscal year was \$208,105. This amount consists of \$242,750 in depreciation expense charged for the current year, offset by vehicle additions of \$40,190 and vehicle disposals of \$5,545.

	Capital Assets - Net of Depreciation	
	12/31/2019	12/31/2018
Buildings and Improvements	\$ 4,397,734	4,508,146
Machinery and Equipment	89,180	101,067
Vehicles	585,879	668,798
Furniture and Fixtures	13,713	16,600
	<u>5,086,506</u>	<u>5,294,611</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's elected officials considered many factors when setting the fiscal-year 2020 budget, tax rates, and fees that will be charged for its governmental activities, including the change in the CPI, unemployment rates and other economic factors.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the East Dundee and Countryside Fire Protection District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Fire Chief, East Dundee and Countryside Fire Protection District, 401 Dundee Avenue, East Dundee, Illinois 60118.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Fund

Fiduciary Fund

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Net Position - Governmental Activity
December 31, 2019**

ASSETS	
Current Assets	
Cash and Investments	\$ 796,020
Receivables - Net of Allowances	
Property Taxes	4,788,498
Accounts	548,753
Prepays	<u>7,170</u>
Total Current Assets	<u>6,140,441</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	6,694,144
Accumulated Depreciation	<u>(1,607,638)</u>
Total Noncurrent Asset	<u>5,086,506</u>
Total Assets	<u>11,226,947</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - Firefighters' Pension	<u>120,849</u>
Total Assets and Deferred Outflows of Resources	<u>11,347,796</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 254,451
Accrued Payroll	54,900
Accrued Interest Payable	93,799
Current Portion of Long-Term Debt	317,732
Total Current Liabilities	<u>720,882</u>
Noncurrent Liabilities	
Compensated Absences Payable	8,229
Net Pension Liability - Firefighters' Pension	1,310,541
Total OPEB Liability - RBP	156,547
General Obligation Bonds	3,990,000
Debt Certificates	350,000
Installment Contracts	268,876
Total Noncurrent Liabilities	<u>6,084,193</u>
Total Liabilities	<u>6,805,075</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	4,788,498
Deferred Items - Firefighters' Pension	1,327,684
Total Deferred Inflows of Resources	<u>6,116,182</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,921,257</u>

NET POSITION

Net Investment in Capital Assets	161,955
Restricted	
Audit	6,847
Social Security	2,389
Foreign Fire Insurance	19,682
Unrestricted (Deficit)	<u>(1,764,334)</u>
Total Net Position	<u><u>(1,573,461)</u></u>

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Activities
For the Year Ended December 31, 2019**

	Expenses	Program Revenues		Net
		Charges for Services	Operating Grants/ Contributions	(Expense) Revenue and Changes in Net Position
Governmental Activities				
Public Safety	\$ 2,852,821	494,103	-	(2,358,718)
Interest on Long-Term Debt	197,077	-	-	(197,077)
Total Governmental Activities	<u>3,049,898</u>	<u>494,103</u>	<u>-</u>	<u>(2,555,795)</u>
		General Revenues		
		Taxes		
			Property Taxes	2,333,760
			Replacement Taxes	25,372
			Foreign Fire Insurance Tax	14,023
			Interest Income	1,494
			Miscellaneous	12,884
				<u>2,387,533</u>
		Change in Net Position		(168,262)
		Net Position - Beginning		<u>(1,405,199)</u>
		Net Position - Ending		<u><u>(1,573,461)</u></u>

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2019**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 796,020
Receivables - Net of Allowances	
Property Taxes	4,788,498
Accounts	548,753
Prepays	<u>7,170</u>
 Total Assets	 <u><u>6,140,441</u></u>
LIABILITIES	
Accounts Payable	20,229
Accrued Payroll	54,900
Due to Other Funds	<u>234,222</u>
Total Liabilities	309,351
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>4,788,498</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>5,097,849</u></u>
FUND BALANCES	
Nonspendable	7,170
Restricted	28,918
Unassigned	<u>1,006,504</u>
Total Fund Balances	<u><u>1,042,592</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>6,140,441</u></u>

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

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

December 31, 2019

Total Governmental Fund Balances	\$ 1,042,592
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	5,086,506
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - Firefighters' Pension	(1,206,835)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(10,286)
Net Pension Liability - Firefighters' Pension	(1,310,541)
Total OPEB Liability - RBP	(156,547)
General Obligation Bonds	(4,225,000)
Debt Certificates	(395,000)
Installment Contracts	(304,551)
Accrued Interest Payable	<u>(93,799)</u>
Net Position of Governmental Activities	<u><u>(1,573,461)</u></u>

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2019**

	<u>General</u>
Revenues	
Taxes	\$ 2,373,155
Charges for Services	394,103
Intergovernmental	100,000
Interest	1,494
Miscellaneous	12,884
Total Revenues	<u>2,881,636</u>
Expenditures	
Current	
Public Safety	2,497,399
Debt Service	
Principal Retirement	286,657
Interest and Fiscal Charges	200,537
Total Expenditures	<u>2,984,593</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,957)
Other Financing Sources	
Debt Issuance	<u>40,190</u>
Net Change in Fund Balance	(62,767)
Fund Balance - Beginning	<u>1,105,359</u>
Fund Balance - Ending	<u><u>1,042,592</u></u>

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

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

For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (62,767)

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

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

Capital Outlay	40,190
Depreciation Expense	(242,750)
Disposals - Cost	(31,050)
Disposals - Accumulated Depreciation	25,505

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

Change in Deferred Items - Firefighters' Pension	(1,486,647)
Change in Deferred Items - RBP	13,926

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Deductions in Compensated Absences Payable	24,084
Deductions to Net Pension Liability - Firefighters' Pension	1,339,864
Additions to Total OPEB Liability - RBP	(38,544)
Issuance of Debt	(40,190)
Retirement of Debt	286,657

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

3,460

Changes in Net Position of Governmental Activities

(168,262)

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2019**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 93,670
Investments	
U.S. Treasuries	230,820
U.S. Agencies	848,919
State and Local Obligations	160,128
Corporate Bonds	207,951
Mutual Funds	1,094,058
Due from Other Funds	234,222
Receivables	
Accrued Interest	<u>9,011</u>
Total Assets	2,878,779
NET POSITION	
Net Position Restricted for Pension	<u><u>2,878,779</u></u>

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2019**

	Pension Trust
Additions	
Contributions - Employer	\$ 255,384
Contributions - Plan Members	83,498
Total Contributions	<u>338,882</u>
Investment Income	
Interest Earned	93,067
Net Change in Fair Value	162,756
	<u>255,823</u>
Less Investment Expenses	(5,831)
Net Investment Income	<u>249,992</u>
Total Additions	<u>588,874</u>
Deductions	
Administration	19,680
Benefits and Refunds	221,276
	<u>240,956</u>
Change in Fiduciary Net Position	347,918
Net Position Restricted for Pension	
Beginning	<u>2,530,861</u>
Ending	<u><u>2,878,779</u></u>

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The District's financial reporting entity comprises the following:

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

Firefighters' Pension Employees Retirement System

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

BASIS OF PRESENTATION

Government-Wide Statements

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

Fiduciary Funds

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

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fiduciary Funds – Continued

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental and activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position.

Basis of Accounting

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

All pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent.

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Receivables

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

Interfund Receivables, Payables and Activity

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

Prepays

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Buildings and Improvements	10 - 45 Years
Machinery and Equipment	5 - 20 Years
Vehicles	3 - 10 Years
Furniture and Fixtures	5 - 20 Years

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences

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

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize debt issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Net Position – Continued

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. For each fund, total expenditures may not legally exceed the budgeted amounts. The Board of Trustees follows these procedures in establishing budgetary data reflected in the financial statements:

1. Within or before the first quarter of each fiscal year, the Board of Trustees adopts an annual budget and appropriation ordinance.
2. The budget document is available for public inspection for at least thirty days prior to the Board of Trustees public hearing and the passage of the annual budget and appropriation ordinance.
3. Subsequent to the enactment of the annual budget and appropriation ordinance, the Board of Trustees has the authority to make any necessary line-item adjustments to the budget. By ordinance, the unexpended balance of any items may be expended in making up any deficiency.

Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at fiscal year-end. During the year, no supplementary appropriations were necessary.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

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

Fund	Excess
General	\$ 85,514

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

The deposits and investments of the Pension Fund are held separately from those of other District funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer’s Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund’s plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the District's deposits for totaled \$796,020 and the bank balances totaled \$809,748.

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy states that the portfolio shall be sufficiently liquid to meet operating cost, which can be reasonably anticipated. Furthermore, the investment policy states the District will commit no less than 80% of the funds in commingled investment pool or other discretionary finds to maturities of not more than three (3) years from date of purchase. No more than 20% of the funds may be invested in maturities of up to five (5) years. Investment of non-discretionary assets, including funds to be held in trust, may be committed to maturities up to ten (10) years from the date of purchase.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address the District's exposure to concentration of credit risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that all deposits in excess of 10% of the capital and surplus of a financial institution will be collateralized. When collateral is required, 105% of the deposit will be required. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk – Continued. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:

- U.S. Government Securities
- Obligations of Federal Instrumentalities
- Obligations of East Dundee and Countryside Fire Protection District
- Obligations of Federal Agencies
- Obligations of the State of Illinois
- Acceptable collateral as identified in the Illinois Complied Statutes

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

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

Deposits. At year-end, the carrying amount of the Firefighters' Pension Fund's deposits totaled \$93,670 and the bank balances totaled \$93,670.

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

	Investment Maturities (in Years)				
	Fair Value	< 1	1 to 5	6 to 10	> 10
U.S. Treasuries	\$ 230,820	-	75,656	155,164	-
U.S. Agencies	848,919	15,058	156,085	677,776	-
State and Local Obligations	160,128	10,103	91,110	58,915	-
Corporate Bonds	207,951	25,364	51,353	131,234	-
	1,447,818	50,525	374,204	1,023,089	-

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 230,820	230,820	-	-
U.S. Agencies	848,919	-	848,919	-
State and Local Obligations	160,128	-	160,128	-
Corporate Bonds	207,951	-	207,951	-
Equity Securities				
Mutual Funds	1,094,058	1,094,058	-	-
Total Investments by Fair Value Level	2,541,876	1,324,878	1,216,998	-

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

Interest Rate Risk. The Fund’s investment policy states that assets shall be sufficiently liquid to meet the Fund’s disbursement requirements for the payment of operating expenses and benefits. Furthermore, the Fund’s investment policy states that under most circumstances the maturity of the portfolio will be maintained at approximately 5 years and will range from 2 years to 7 years. The investment manager may change the maturity range of the portfolio as the market conditions permit.

Credit Risk. The Fund’s investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. Other than attempting to invest in securities implicitly guaranteed by the United States Government and investment instruments authorized by State Statute, the Fund’s investment policy does not further limit investment choices. At year-end, the Fund’s investments in U.S. Agencies are not rated, the state and local obligations were all rated AA to AA+ by Standard & Poor’s, or not rated. The Fund’s investment in the corporate bonds were rated AA- to AAA by Standard & Poor’s, or not rated.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk. The Fund's investment policy requires that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default. Pension Fund assets may be invested in savings accounts or certificates of deposit of a national or state bank, even if fund assets on deposit in such institution will exceed federal deposit insurance or guarantee limits for invested principal and accrued interest, but only if the amount by which the fund's investment exceeds such insurance or guarantee limits is collateralized by the bank which shall be maintained and credited to the fund on the records of the custodial bank. The Pension Fund shall have a perfected security interest in such securities which shall be free of any claims to the rights to these securities other than any claims by the custodian which are subordinate to the Pension Fund's claims to rights to these securities.

Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:

- 1) A Federal Reserve Bank or branch office
- 2) At another custodial facility – generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third-party depository in a suitable vault and insured against loss by fire, theft and similar causes.

For investments, third party safekeeping is also required. To accomplish this, the securities shall be held in a trust department through book-entry at the Depository Trust Company. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Credit Risk. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	28.00%	5.90%
Small Cap Domestic Equity	8.00%	7.70%
International Equity	4.00%	6.60%
Fixed Income	60.00%	1.10%
Cash	0.00%	0.0%

Securities in any one company should not exceed 5% of the total fund.

Once the Fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be as follows:

Equity Portfolio	Target Allocation	Range of Allocation
U.S. Large Company Stocks	70.00%	40.00% - 100.00%
U.S. Small Company Stocks	20.00%	0.00% - 40.00%
International Stock Funds	10.00%	0.00% - 20.00%

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Credit Risk – Continued. In addition to the securities and fair values listed above, the Fund also has \$1,094,058 invested in mutual funds. At year-end, there are no investments (other than investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments) in the Fund that represent 5 percent or more of net position available for benefits for the Fund.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, 2018, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, in June and September. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

INTERFUND BALANCES

The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Firefighters' Pension	General	<u>\$ 234,222</u>

Interfund balances are advances in anticipation of receipts.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Buildings and Improvements	\$ 4,968,567	-	-	4,968,567
Machinery and Equipment	223,305	-	-	223,305
Vehicles	1,464,262	40,190	31,050	1,473,402
Furniture and Fixtures	28,870	-	-	28,870
	<u>6,685,004</u>	<u>40,190</u>	<u>31,050</u>	<u>6,694,144</u>
Less Accumulated Depreciation				
Buildings and Improvements	460,421	110,412	-	570,833
Machinery and Equipment	122,238	11,887	-	134,125
Vehicles	795,464	117,564	25,505	887,523
Furniture and Fixtures	12,270	2,887	-	15,157
	<u>1,390,393</u>	<u>242,750</u>	<u>25,505</u>	<u>1,607,638</u>
 Total Net Capital Assets	 <u>5,294,611</u>	 <u>(202,560)</u>	 <u>5,545</u>	 <u>5,086,506</u>

Depreciation expense of \$242,750 has been charged to the public safety function.

LONG-TERM DEBT

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$5,460,000 General Obligation Fire Protection Bonds of 2013A dated April 17, 2013, due in annual installments of \$180,000 to \$400,000 plus interest of 2.00% to 4.00% through January 15, 2033.	\$ 4,445,000	-	220,000	<u>4,225,000</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Certificates

The District issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates are direct obligations and pledge the full faith and credit of the District. Debt certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$625,000 Refunding Debt Certificates of 2013B dated April 17, 2013, due in annual installments of \$35,000 to \$55,000 plus interest of 4.00% to 5.00% through January 15, 2027.	\$ 435,000	-	40,000	395,000

Installment Contract Payable

The District also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$150,000 Installment Contract of 2015 dated May 15, 2015, due in annual installments of \$13,524 including interest of 3.70% through March 1, 2030.	\$ 125,865	-	8,307	117,558
\$200,000 Installment Contract of 2016 dated February 15, 2016, due in annual installments of \$23,865 including interest of 2.90% through March 1, 2026.	165,153	-	18,350	146,803
\$40,190 Installment Contract of 2016 dated September 25, 2019, due in annual installments of \$9,430 including interest of 6.74% through March 25, 2020.	-	40,190	-	40,190
	<u>291,018</u>	<u>40,190</u>	<u>26,657</u>	<u>304,551</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 34,370	24,084	48,168	10,286	2,057
Net Pension Liability - Firefighters' Pension	2,650,405	-	1,339,864	1,310,541	-
Total OPEB Liability - RBP	118,003	38,544	-	156,547	-
General Obligation Bonds	4,445,000	-	220,000	4,225,000	235,000
Debt Certificates	435,000	-	40,000	395,000	45,000
Installment Contract	291,018	40,190	26,657	304,551	35,675
	<u>7,973,796</u>	<u>102,818</u>	<u>1,674,689</u>	<u>6,401,925</u>	<u>317,732</u>

The compensated absences, the net pension liability, the total OPEB liability, the general obligation bonds, the debt certificates, and the installment contracts are liquidated by the General Fund.

Legal Debt Margin

Chapter 70, Section 705/12-32 of the Illinois Compiled Statutes provides, “Any fire protection district incorporated under this Act may borrow money for corporate purposes and may issue bonds therefor, but shall not become indebted in any manner, or for any purpose, to an amount in the aggregate to exceed 5.75% on the valuation of taxable property therein to be ascertained by the last assessment for State and County taxes previous to the incurring of such indebtedness or until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.”

Assessed Valuation - 2018	<u>\$ 250,680,654</u>
Legal Debt Limit - 5.75% of Assessed Value	14,414,138
Amount of Debt Applicable to Limit	
General Obligation Fire Protection Bonds of 2013A	4,225,000
Refunding Debt Certificates of 2013B	<u>395,000</u>
Legal Debt Margin	<u>9,794,138</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation		Debt Certificates		Installment Contract	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 235,000	161,863	45,000	17,813	35,675	11,144
2021	235,000	152,462	45,000	15,787	35,870	10,949
2022	250,000	142,762	45,000	13,763	37,388	9,431
2023	265,000	132,462	50,000	11,625	38,976	7,843
2024	265,000	121,862	50,000	9,250	40,638	6,181
2025	270,000	111,163	50,000	6,750	32,947	4,442
2026	285,000	100,063	55,000	4,125	34,133	3,256
2027	295,000	88,463	55,000	1,375	11,496	2,028
2028	315,000	76,853	-	-	11,973	1,551
2029	335,000	65,072	-	-	12,469	1,055
2030	345,000	52,100	-	-	12,986	538
2031	350,000	38,200	-	-	-	-
2032	380,000	23,600	-	-	-	-
2033	400,000	8,000	-	-	-	-
Totals	<u>4,225,000</u>	<u>1,274,925</u>	<u>395,000</u>	<u>80,488</u>	<u>304,551</u>	<u>58,418</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 5,086,506
Less Capital Related Debt:	
General Obligation Fire Protection Bonds of 2013A	(4,225,000)
Refunding Debt Certificates of 2013B	(395,000)
Installment Contract 2015	(117,558)
Installment Contract 2016	(146,803)
Installment Contract 2016	<u>(40,190)</u>
Net Investment in Capital Assets	<u>161,955</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

	<u>General</u>
Fund Balances	
Nonspendable	
Prepays	\$ 7,170
Restricted	
Audit	6,847
Social Security	2,389
Foreign Fire Insurance	<u>19,682</u>
	<u>28,918</u>
Unassigned	<u>1,006,504</u>
Total Fund Balances	<u><u>1,042,592</u></u>

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

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The District shall strive to maintain a yearly fund balance in the general operating fund in which the total fund balance is 40 percent of the total operating expenditures and the unassigned fund balance is 19 percent of the total operating expenditures.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

CONTINGENT LIABILITIES

Grants

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s attorney, the resolution of these matters will not have a material, adverse effect on the financial condition of the District.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The District contributes to one defined benefit pension plans, the Firefighters’ Pension Plan that is a single-employer pension plan. The benefit, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The District accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the District President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	8
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>7</u>
Total	<u><u>16</u></u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Descriptions – Continued

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the Firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the District to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the District's contribution was 50.80% of covered payroll.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Descriptions – Continued

Concentrations. At year end, the Firefighters' Pension Plan has no investments (other than investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.50%
Salary Increases	4.25% - 7.50%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on RP-2014 adjusted for plan status, collar, and Illinois Public Pension data, as appropriate.

Discount Rate

The discount rate used to measure the total pension liability was 6.00%, and 5.50% in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Discount Rate Sensitivity

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 1,953,124	1,310,541	797,766

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 5,181,266	2,530,861	2,650,405
Changes for the Year:			
Service Cost	160,356	-	160,356
Interest on the Total Pension Liability	278,885	-	278,885
Changes of Benefit Terms	23,417	-	23,417
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(1,105,149)	-	(1,105,149)
Changes of Assumptions	(128,179)	-	(128,179)
Contributions - Employer	-	255,384	(255,384)
Contributions - Employees	-	83,498	(83,498)
Net Investment Income	-	249,992	(249,992)
Benefit Payments, including Refunds			
of Employee Contributions	(221,276)	(221,276)	-
Administrative Expense	-	(19,680)	19,680
Net Changes	(991,946)	347,918	(1,339,864)
Balances at December 31, 2019	4,189,320	2,878,779	1,310,541

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

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

For the year ended December 31, 2019, the District recognized pension expense of \$402,167. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 31,869	(1,213,748)	(1,181,879)
Change in Assumptions	63,278	(113,936)	(50,658)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	25,702	-	25,702
Total Deferred Amounts Related to Firefighters'	<u>120,849</u>	<u>(1,327,684)</u>	<u>(1,206,835)</u>

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

Fiscal Year	Net Deferred (Inflows) of Resources
2020	\$ (74,086)
2021	(155,176)
2022	(170,498)
2023	(197,984)
2024	(176,366)
Thereafter	<u>(432,725)</u>
Total	<u><u>(1,206,835)</u></u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The District's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare, dental, vision, and life insurance benefits for retirees and their dependents. Retirees are responsible for the full cost of coverage, until Medicare eligibility is reached.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>7</u>
Total	<u><u>8</u></u>

Total OPEB Liability

The District's total OPEB liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.25%
Discount Rate	2.74%
Healthcare Cost Trend Rates	6.87% for 2019, decreasing 0.25 per year to an ultimate rate of 5.0% for 2028 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued. The discount rate was based on the bond buyer 20-Bond GO Index.

Mortality rates were based on the sex distinct raw rates as developed in the PubS-2010(A) study improved to 2017 using MP-2019 improvement rates. These rates are improved generationally using MP-2019 improvement rates.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2018	\$ 118,003
Changes for the Year:	
Service Cost	10,957
Interest	4,527
Changes of Assumptions or Other Inputs	38,140
Benefit Payments	<u>(15,080)</u>
Net Changes	<u>38,544</u>
Balance at December 31, 2019	<u><u>156,547</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.74%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 191,547	156,547	128,384

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a varying Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 120,261	156,547	203,581

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the District recognized OPEB expense of \$24,618. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	-	-

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2020	\$ -
2021	-
2022	-
2023	-
2024	-
Thereafter	-
Total	-

SUBSEQUENT EVENT

Subsequent to the date of the financial statements and prior to the audit opinion date, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
Firefighters' Pension Fund
- Schedule of Investment Returns
Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefit Plan
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 159,644	\$ 163,320	\$ 3,676	\$ 535,561	30.50%
2015	159,644	218,760	59,116	262,718	83.27%
2016	146,295	223,583	77,288	289,411	77.25%
2017	235,119	238,900	3,781	298,817	79.95%
2018	250,051	250,078	27	498,459	50.17%
2019	254,653	255,384	731	502,753	50.80%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.25% - 7.50%
Investment Rate of Return	5.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 study for Illinois Firefighters

Note:

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 180,065
Interest	182,824
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(137,473)
Change of Assumptions	192,372
Benefit Payments, Including Refunds of Member Contributions	<u>(110,255)</u>
Net Change in Total Pension Liability	307,533
Total Pension Liability - Beginning	<u>2,867,807</u>
Total Pension Liability - Ending	<u><u>3,175,340</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	163,320
Contributions - Members	47,426
Net Investment Income	64,802
Benefit Payments, Including Refunds of Member Contributions	(110,255)
Administrative Expense	<u>(14,252)</u>
Net Change in Plan Fiduciary Net Position	151,041
Plan Net Position - Beginning	<u>2,010,928</u>
Plan Net Position - Ending	<u><u>2,161,969</u></u>
Employer's Net Pension Liability	<u><u>\$ 1,013,371</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.09%
Covered Payroll	\$ 535,561
Employer's Net Pension Liability as a Percentage of Covered Payroll	189.22%

Note:

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

2015	2016	2017	2018	2019
158,289	105,683	111,496	124,407	160,356
200,764	227,610	270,024	284,788	278,885
-	-	-	-	23,417
586,917	(167,594)	103,224	(296,924)	(1,105,149)
285,334	807,770	-	-	(128,179)
(173,321)	(189,921)	(214,695)	(217,925)	(221,276)
1,057,983	783,548	270,049	(105,654)	(991,946)
3,175,340	4,233,323	5,016,871	5,286,920	5,181,266
4,233,323	5,016,871	5,286,920	5,181,266	4,189,320
218,760	223,583	238,900	250,078	255,384
36,541	33,475	33,253	47,130	83,498
17,220	48,192	93,229	(68)	249,992
(173,321)	(189,921)	(214,695)	(217,925)	(221,276)
(25,062)	(16,368)	(21,148)	(12,961)	(19,680)
74,138	98,961	129,539	66,254	347,918
2,161,969	2,236,107	2,335,068	2,464,607	2,530,861
2,236,107	2,335,068	2,464,607	2,530,861	2,878,779
1,997,216	2,681,803	2,822,313	2,650,405	1,310,541
52.82%	46.54%	46.62%	48.85%	68.72%
262,718	289,411	298,817	498,459	502,753
760.21%	926.64%	944.50%	531.72%	260.67%

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2019**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	3.75%
2015	1.11%
2016	2.34%
2017	4.17%
2018	(0.03%)
2019	11.08%

Note:

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Retiree Benefit Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2019**

	2018	2019
Total OPEB Liability		
Service Cost	\$ 11,777	\$ 10,957
Interest	4,257	4,527
Change of Assumptions or Other Inputs	(14,593)	38,140
Benefit Payments	(14,174)	(15,080)
Other Changes	-	-
Net Change in Total OPEB Liability	(12,733)	38,544
Total OPEB Liability - Beginning	130,736	118,003
Total OPEB Liability - Ending	118,003	156,547
Covered Payroll	\$ 498,459	\$ 502,753
Total OPEB Liability as a Percentage of Covered Payroll	23.67%	31.14%

Notes:

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

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	PPO
2020	6.87%
2021	6.63%
2022	6.40%
2023	6.17%
2024	5.93%
2025	5.70%
2026	5.47%
2027	5.23%
2028	5.00%
Ultimate	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 2,325,563	2,373,363	2,373,155
Charges for Services	283,147	289,247	394,103
Intergovernmental	100,000	200,000	100,000
Interest	350	1,450	1,494
Miscellaneous	8,129	12,629	12,884
Total Revenues	<u>2,717,189</u>	<u>2,876,689</u>	<u>2,881,636</u>
Expenditures			
Public Safety	2,499,112	2,411,902	2,497,399
Debt Service			
Principal Retirement	289,540	286,640	286,657
Interest and Fiscal Charges	200,537	200,537	200,537
Total Expenditures	<u>2,989,189</u>	<u>2,899,079</u>	<u>2,984,593</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(272,000)	(22,390)	(102,957)
Other Financing Sources			
Debt Issuance	-	-	40,190
Net Change in Fund Balance	<u>(272,000)</u>	<u>(22,390)</u>	(62,767)
Fund Balance - Beginning			<u>1,105,359</u>
Fund Balance - Ending			<u><u>1,042,592</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such schedules include:

- Budgetary Comparison Schedules – General Fund
- Budgetary Comparison Schedule – Pension Trust Fund

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

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

TRUST FUND

PENSION TRUST FUND

Firefighters' Pension Fund

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

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 2,292,063	2,333,963	2,333,760
Replacement Taxes	20,000	25,400	25,372
Foreign Fire Insurance Tax	13,500	14,000	14,023
	<u>2,325,563</u>	<u>2,373,363</u>	<u>2,373,155</u>
Charges for Services			
Ambulance Fees	240,000	273,700	380,339
Service Fees	43,147	15,547	13,764
	<u>283,147</u>	<u>289,247</u>	<u>394,103</u>
Intergovernmental			
Grants	-	-	-
Village of East Dundee	100,000	200,000	100,000
	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
Interest	350	1,450	1,494
Miscellaneous	8,129	12,629	12,884
Total Revenues	<u>2,717,189</u>	<u>2,876,689</u>	<u>2,881,636</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Public Safety			
Personnel Services			
Full-Time Employees	\$ 548,000	734,500	789,151
Overtime	131,000	90,500	90,499
Part-Time Wages	450,900	442,600	442,633
Clerical	33,600	32,600	32,617
Paid on Call	3,000	3,300	3,245
Fire Prevention	49,000	36,600	35,738
Trustee Compensation	9,000	9,250	9,250
Payroll Taxes	76,639	50,639	50,884
Health Benefits	113,500	109,000	108,962
Wellness	8,000	9,780	9,770
Pension Contribution	284,653	284,653	255,384
Workers Compensation	59,850	81,950	101,088
	<u>1,767,142</u>	<u>1,885,372</u>	<u>1,929,221</u>
Contractual Services			
Building Maintenance	20,400	17,900	8,382
Vehicle Maintenance	30,000	43,800	42,897
Equipment Maintenance	11,650	9,300	9,299
Grounds Maintenance	5,000	5,060	5,055
Rental Equipment	2,900	2,700	2,637
Insurance	54,100	27,050	34,365
	<u>124,050</u>	<u>105,810</u>	<u>102,635</u>
Professional Services			
Bank Service Charges	540	540	465
Accounting Services	7,600	10,050	10,050
Dispatch Fee	96,000	89,600	89,642
Legal Services	250,000	84,030	84,726
Legal Publications	1,050	1,050	236
Membership Dues	6,600	7,200	7,292
Training	33,000	34,600	36,773
Travel	7,000	6,900	6,923
Other Professional Services	17,500	11,300	11,384
Medical Billing	12,000	13,950	13,925
Public Education	4,000	4,100	4,085
	<u>435,290</u>	<u>263,320</u>	<u>265,501</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Utilities			
Electric	\$ 14,400	12,000	11,978
Gas	5,000	5,050	5,032
Telephone	3,600	3,450	3,452
Water	1,800	2,600	2,585
	<u>24,800</u>	<u>23,100</u>	<u>23,047</u>
Commodities			
Fuel	21,600	14,600	14,535
Building Supplies	6,000	4,900	5,697
Equipment Supplies	3,000	300	210
Grounds Maintenance Supplies	1,500	900	871
Vehicle Maintenance Supplies	3,000	1,000	817
Fire Fighter Equipment	45,175	42,275	40,367
Medical Equipment	6,000	4,900	7,919
Office Supplies	7,300	6,050	6,047
Printing and Postage	1,800	850	850
Communications Equipment	20,750	33,410	31,654
Uniforms	205	205	13,498
Other Commodities	15,500	13,410	3,558
Foreign Fire Insurance	13,500	8,000	10,782
	<u>145,330</u>	<u>130,800</u>	<u>136,805</u>
Capital Outlay	<u>2,500</u>	<u>3,500</u>	<u>40,190</u>
Total Public Safety	<u>2,499,112</u>	<u>2,411,902</u>	<u>2,497,399</u>
Debt Service			
Principal Retirement	289,540	286,640	286,657
Interest and Fiscal Charges	200,537	200,537	200,537
	<u>490,077</u>	<u>487,177</u>	<u>487,194</u>
Total Expenditures	<u>2,989,189</u>	<u>2,899,079</u>	<u>2,984,593</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 284,653	284,653	255,384
Contributions - Plan Members	-	-	83,498
Total Contributions	284,653	284,653	338,882
Investment Income			
Interest Earned	-	-	93,067
Net Change in Fair Value	-	-	162,756
	-	-	255,823
Less Investment Expenses	-	-	(5,831)
Net Investment Income	-	-	249,992
Total Additions	284,653	284,653	588,874
Deductions			
Administration	-	-	19,680
Benefits and Refunds	-	-	221,276
Total Deductions	-	-	240,956
Change in Fiduciary Net Position	284,653	284,653	347,918
Net Position Restricted for Pension			
Beginning			2,530,861
Ending			2,878,779

SUPPLEMENTAL SCHEDULES

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Fire Protection Bonds of 2013A
December 31, 2019**

Date of Issue	April 17, 2013
Date of Maturity	January 15, 2033
Authorized Issue	\$5,460,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	January 15th and July 15th
Principal Maturity Date	January 15th
Payable at	The Depository Trust Company, New York NY

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2020	\$ 235,000	161,863	396,863
2021	235,000	152,462	387,462
2022	250,000	142,762	392,762
2023	265,000	132,462	397,462
2024	265,000	121,862	386,862
2025	270,000	111,163	381,163
2026	285,000	100,063	385,063
2027	295,000	88,463	383,463
2028	315,000	76,853	391,853
2029	335,000	65,072	400,072
2030	345,000	52,100	397,100
2031	350,000	38,200	388,200
2032	380,000	23,600	403,600
2033	400,000	8,000	408,000
	<u>4,225,000</u>	<u>1,274,925</u>	<u>5,499,925</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Schedule of Long-Term Debt Requirements

**Refunding Debt Certificates of 2013B
December 31, 2019**

Date of Issue	April 17, 2013
Date of Maturity	January 15, 2027
Authorized Issue	\$625,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 5.00%
Interest Dates	January 15th and July 15th
Principal Maturity Date	January 15th
Payable at	The Depository Trust Company, New York NY

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2020	\$ 45,000	17,813	62,813
2021	45,000	15,787	60,787
2022	45,000	13,763	58,763
2023	50,000	11,625	61,625
2024	50,000	9,250	59,250
2025	50,000	6,750	56,750
2026	55,000	4,125	59,125
2027	55,000	1,375	56,375
	<u>395,000</u>	<u>80,488</u>	<u>475,488</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Schedule of Long-Term Debt Requirements

**Installment Contract of 2015
December 31, 2019**

Date of Issue	May 15, 2015
Date of Maturity	March 1, 2030
Authorized Issue	\$150,000
Interest Rate	3.70%
Interest Date	March 1st
Principal Maturity Date	March 1st
Payable at	First Bankers Corporation, Indianapolis IN

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2020	\$ 8,652	4,872	13,524
2021	9,010	4,514	13,524
2022	9,384	4,140	13,524
2023	9,772	3,752	13,524
2024	10,178	3,346	13,524
2025	10,599	2,925	13,524
2026	11,039	2,485	13,524
2027	11,496	2,028	13,524
2028	11,973	1,551	13,524
2029	12,469	1,055	13,524
2030	12,986	538	13,524
	<u>117,558</u>	<u>31,206</u>	<u>148,764</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Schedule of Long-Term Debt Requirements

**Installment Contract of 2016
December 31, 2019**

Date of Issue	February 15, 2016
Date of Maturity	March 1, 2026
Authorized Issue	\$200,000
Interest Rate	2.90%
Interest Date	March 1st
Principal Maturity Date	March 1st
Payable at	First Bankers Corporation, Indianapolis IN

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2020	\$ 18,963	4,902	23,865
2021	19,596	4,269	23,865
2022	20,250	3,615	23,865
2023	20,927	2,938	23,865
2024	21,625	2,240	23,865
2025	22,348	1,517	23,865
2026	23,094	771	23,865
	<u>146,803</u>	<u>20,252</u>	<u>167,055</u>

EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

Schedule of Long-Term Debt Requirements

**Installment Contract of 2019
December 31, 2019**

Date of Issue	September 25, 2019
Date of Maturity	March 25, 2024
Authorized Issue	\$40,190
Interest Rate	6.74%
Interest Date	March 25th
Principal Maturity Date	March 25th
Payable at	Leasing 2, Inc., Tampa, Florida

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2020	\$ 8,060	1,370	9,430
2021	7,264	2,166	9,430
2022	7,754	1,676	9,430
2023	8,277	1,153	9,430
2024	8,835	595	9,430
	<u>40,190</u>	<u>6,960</u>	<u>47,150</u>