

LEYDEN FIRE PROTECTION DISTRICT

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ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2022

LEYDEN FIRE PROTECTION DISTRICT

YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Leyden
Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Leyden Fire Protection District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Leyden Fire Protection District's basic financial statements as listed in the table of contents.

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 Leyden Fire Protection District, as of December 31, 2022, 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.

We did not audit the financial statements of the Leyden Fire Protection District's Firefighters' Pension Fund, which is the fiduciary fund of the District. Those financial statements as of and for the year ended December 31, 2022 were audited by other auditors whose report was not available as of the date of this report, and our opinion, insofar as it relates to the amounts included for the Leyden Fire Protection District's Firefighters' Pension Fund, is based solely on the information from the actuarial report.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Leyden Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Leyden Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Leyden Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Leyden Fire Protection District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and certain pension disclosures be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Leyden Fire Protection District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Grieco & Adelman LLC

Des Plaines, Illinois
August 9, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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LEYDEN FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2022

Management's discussion and analysis (MD&A) of the Leyden Fire Protection District provides an overview of the District's financial activities for the year ended December 31, 2022. The MD&A should be read as a narrative introduction to the financial statements. The purpose of this report is to assist the reader in focusing on significant accounting issues, provide an overview of the District's financial activity, identify changes in the District's financial position and any material deviations from the approved budget and individual fund issues or concerns.

Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

General Background

The Leyden Fire Protection District was incorporated in 1949. The District was an all-volunteer district until September 1969. At that time, the District hired six full time firefighters. The District had three shifts with two firefighters per shift. Each shift worked twenty-four hours on followed by forty-eight hours off.

Today the District has a Chief, three Lieutenants, nine firefighters, and eight Civilian paramedics. The staff protects approximately 4.5 square miles and a population of 18,000 residents. The District is comprised of approximately 85% residential buildings and 15% commercial buildings. The commercial property is mainly retail establishments and light industry. The District also protects portions of the Canadian Pacific and Union Pacific Railways.

Additionally, the District provides fire protection and emergency medical services to four schools: Westdale Elementary and Scott Elementary are for students in grades K through 5th with a student population of 926 and a staff of 130. Mannheim Middle School is for grades 6th through 8th with a student population of 876 and a staff of 71. West Leyden High School is a four-year high school with a student population of 1,764 and a staff of 391.

The District responded to 2,006 requests for assistance in 2022, which is a slight increase from 2021. Of these calls, 3% were responses to fires, approximately 70% were EMS (ambulance related) with the remaining 27% to include false alarms, patient assists, rescues, hazardous conditions and roadway incidents. Personnel of the District protect the citizens with the use of two quint fire trucks, two ambulances, a utility vehicle, and a chief officer vehicle.

Financial Highlights

Primary effects of the 2022 operating results include the following:

The liabilities and deferred inflows of Leyden Fire Protection District exceeded its assets and deferred outflows by \$ 12,007,484 and \$13,249,985 as of December 31, 2022 and 2021, respectively. The District's net position increased \$1,400,351 mainly due to the issuance of the Series 2021 General Obligation Bonds and the effects of GASB No. 67, 68, and 72 which results in recording changes in the long-term pension obligations.

Property taxes collected for Governmental Funds were \$ 2,521,823 compared to the prior year of \$1,792,599, an increase of \$ 729,224.

LEYDEN FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

Financial Highlights: (continued)

At December 31, 2022, the District's Governmental Funds reported combined ending fund balances of \$1,359,928 an increase of \$ 1,011,705 from the prior year. The increase in fund balance is largely due to an increase in property tax collections and state replacement tax collections.

Overview of the Financial Statements

The MD&A introduces the District's basic statements. These statements are comprised of three components: (1) Government-Wide financial statements, (2) Fund financial statements, and (3) Notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-Wide Financial Statements

The Government-Wide financial statements are designed to provide the reader with a broad overview of the District's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between assets/deferred outflows and liabilities/deferred inflows representing 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 District'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 the statement for some items that will result in cash flows in future periods (e.g., prepaid items, accounts payable, accrued payroll expense, compensated absence expense and certain pension-related liabilities).

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

Fund Financial Statements

A fund is an accounting unit used to maintain control over resources segregated for specific activities or objectives. The funds of the District are divided into two categories: Governmental Funds and Fiduciary Funds. The District, like other state and local governments, uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while others are combined into a single, aggregated presentation. Individual fund data for non-major funds is illustrated in the other supplementary information.

LEYDEN FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

Fund Financial Statements: (continued)

The District maintains various Governmental Funds and one Fiduciary Fund which include the following:

Governmental Funds

Governmental Funds are reported in the Fund financial statements and encompass essentially the same functions reported as governmental activities in the Government-Wide financial statements. However, unlike the Government-Wide financial statements, 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 a Government's near-term financing requirements.

Since 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 (modified accrual) statements with similar information presented for 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 this comparison between Governmental Funds and Government-Wide Statements.

The District maintains eight individual governmental funds. Information is presented separately for the funds considered major in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. Funds which are considered major are the Corporate Fund, Debt-Service Funds, Ambulance Fund and Emergency and Rescue Fund. Information from the other four Governmental Funds is shown as a combined column labeled Non-Major funds.

Leyden Fire Protection District adopts an annual appropriated budget for each fund. Comparative schedules of budgeted versus actual for major funds are included in the financial statements as required supplementary information on pages 46 through 53. Budgetary vs actual for non-major funds are included in other supplementary information on pages 54 through 55.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or agent for individuals, private organizations, other governmental units, and/or other funds. The Fiduciary Fund includes the pension fund. 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.

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 through 45 of this report.

LEYDEN FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. The combining statements with non-major governmental funds are presented immediately following the required supplementary information. Major funds are reported in the basic financial statements as discussed. Individual fund statements and schedules are presented in the subsequent sections of this report.

Government-Wide Financial Analysis

The following is a Summary of Net Position financial information as of December 31, 2022. The District has prepared Government-Wide financial statements as required and comparative information with the year ended December 31, 2021.

	2022	2021	Increase (Decrease)
Summary of Net Position			
Assets:			
Current assets	\$ 3,277,893	\$ 2,209,457	\$ 1,068,436
Capital assets, net	2,880,681	3,196,927	(316,246)
Deferred outflows	6,278,974	5,430,063	848,911
Total Assets and Deferred Outflows	\$ 12,437,548	\$ 10,836,447	\$ 1,601,101
Liabilities:			
Current liabilities	\$ 495,342	\$ 526,862	\$ (31,520)
Long-term liabilities	11,522,666	11,940,847	(418,181)
Net pension liability	5,038,472	2,772,041	2,266,431
Deferred inflows	7,388,552	8,846,682	(1,458,130)
Total Liabilities and Deferred Inflows	\$ 24,445,032	\$ 24,086,432	\$ 358,600
Net Position:			
Net investment in capital assets	\$ 1,776,832	\$ 1,861,984	\$ (85,152)
Restricted	932,612	363,838	568,774
Unrestricted (deficit)	(14,716,928)	(15,475,807)	758,879
Total Net Position (deficit)	\$ (12,007,484)	\$ (13,249,985)	\$ 1,242,501

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$12,007,484 at December 31, 2022 and by \$13,249,985 at December 31, 2021.

LEYDEN FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

Net Position: (continued)

The net position is separated into three major components:

Invested in capital assets (e.g., equipment), which amounted to \$1,776,832 or 15% of net position for 2022 and \$1,861,984 or 14% of net position for 2021.

Restricted net position was \$932,612 or 8% of net position for 2022 and \$363,838 or 3% of net position for 2021. Restricted net position may be used only for the purpose for which it was specifically designated.

Unrestricted net position was \$(14,716,928) or (123) % of net position for 2022 and \$(15,475,807) or (117%) of net position for 2021. Unrestricted net position may be used to meet the government's ongoing obligations to its programs.

Changes in Net Position

The following table provides a Government-Wide summary of the changes in the net position of the District for year 2022 with comparative information for 2021.

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Statement of Activities			
Revenues:			
Taxes and fees	\$ 3,601,510	\$ 2,391,378	\$ 1,210,132
Other revenues:			
Interest	15,748	77	15,671
Other	123,390	103,527	19,863
Total revenues	<u>3,740,648</u>	<u>2,494,982</u>	<u>1,245,666</u>
Expenses:			
Fire protection/public safety	2,003,199	2,339,641	(336,442)
Interest	337,098	50,578	286,520
Total expenses	<u>2,340,297</u>	<u>2,390,219</u>	<u>(49,922)</u>
Change in net position	1,400,351	104,763	1,295,588
Net position (deficit) - beginning of year	(13,249,985)	(13,354,748)	104,763
Prior period adjustment	(157,850)	-	(157,850)
Net position (deficit) - end of year	<u>\$ (12,007,484)</u>	<u>\$ (13,249,985)</u>	<u>\$ 1,242,501</u>

The District's net position increased by \$1,400,351 and increased \$104,763 for the years ended December 31, 2022 and 2021, respectively. The implementation of GASB No. 68 and GASB No. 72 has required the District to reflect the net pension liability in their financial statements. The recording of the net pension liability along with the calculations required for deferred inflows/outflows has accounted for substantial portion of the increase in the net position due to the General Obligation Bond – Series 2021 repaying a portion of the net pension obligation.

Revenue from taxes and fees for the year 2022 increased by \$1,210,132. The increase is mainly due to an increase in receipts for both property and state replacement taxes in the current year. Expenses decreased \$49,922 due to the decrease in the change in pension expense required to be reported under GASB No. 68. The change in net position differs from the change in fund balance because of different accounting requirements. A reconciliation appears later in the financial statements.

LEYDEN FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

Governmental Activities

Governmental Funds. The focus of the Governmental Funds (modified accrual) financial statements is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds reported an ending fund balance of \$1,359,928. The increase in the fund balance of \$1,011,705 indicates that revenues plus other financing sources exceeded expenditures for the year. The majority of the increase is due to the increase in property and state replacement taxes received. Additionally, property tax revenue, the major financing source of the District, increased by \$729,224 or 40.6 % in 2021.

Fiduciary Fund. The District maintains one fiduciary fund in the form of a trust fund. The Pension Fund was established to accumulate funds for the future payments of post-retirement benefits. At the end of the current fiscal year, the District's trust fund reported a net position balance of \$15,060,057 a decrease of \$1,475,032 from the prior year. This decrease is the result of the net change in investment fair value, earnings from investments, contributions from members and employee, and payments for benefits and administrative expenses. The trust fund's ending balance consists of cash, investments and receivable from the Municipality.

Budgetary Highlights

The District annually prepares formal budgets for all funds with amendments made when approved by the Board. Approximately 67% of the District revenues came from the tax levy.

The following is a comparison of the total government funds actual versus budgeted amounts.

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	\$ 4,287,430	\$ 3,394,517	\$ 892,913
Expenditures	(3,386,259)	(3,467,322)	81,063
Other financing sources	110,534	103,780	6,754
Net change in fund balance	<u>\$ 1,011,705</u>	<u>\$ 30,975</u>	<u>\$ 980,730</u>

The variance in revenues is primarily due to tax receipts and interfund borrowings being greater than budgeted amounts. The variance for expenditures is related to an effort by the District to reduce spending. Other financing sources variance is due to budgeted borrowings from the fiduciary fund that were not utilized.

State replacement tax revenue of the District increased by \$ 486,572 or 88.8% from \$ 547,910 in 2021.

LEYDEN FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

Capital Assets and Debt Administration

The District had \$2,880,681 and \$3,196,927 in net capital assets consisting of land, building, equipment and vehicles at the end of December 31, 2022 and 2021, respectively.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Prior Period Adjustment</u>	<u>Ending Balance</u>
Capital assets					
Land	\$ 480,000	\$ -	\$ -	\$ -	\$ 480,000
Building	2,823,114	-	-	-	2,823,114
Equipment	527,134	56,901	-	-	584,035
Vehicles	1,798,501	-	-	-	1,798,501
	<u>5,628,749</u>	<u>56,901</u>	<u>-</u>	<u>-</u>	<u>5,685,650</u>
Accumulated depreciation	<u>(2,431,822)</u>	<u>(215,297)</u>	<u>-</u>	<u>(157,850)</u>	<u>(2,804,969)</u>
Net capital assets	<u>\$ 3,196,927</u>	<u>\$ (158,396)</u>	<u>\$ -</u>	<u>\$ (157,850)</u>	<u>\$ 2,880,681</u>

The District reported debt of \$ 16,975,528 and \$15,138,532 at December 31, 2022 and 2021, respectively. The current portion of this debt was \$414,390 and \$425,644, respectively. The debt is comprised of various capital leases, general obligation bonds, net pension liability and compensated absences.

Long-term liabilities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Long-term Portion</u>	<u>Current Portion</u>
Compensated absences	\$ 406,548	\$ -	\$ 3,791	\$ 402,757	\$ 402,757	\$ -
GO Bonds Series 2002	49,950	-	49,950	-	-	-
GO Bonds Series 2018	1,210,000	-	115,000	1,095,000	925,000	170,000
GO Bonds Series 2021	10,625,000	-	200,000	10,425,000	10,190,000	235,000
Capital lease - Engine	51,846	-	51,846	-	-	-
Capital lease - Interceptor	23,147	-	8,848	14,299	4,909	9,390
Net pension liability	<u>2,772,041</u>	<u>2,266,431</u>	<u>-</u>	<u>5,038,472</u>	<u>5,038,472</u>	<u>-</u>
	<u>\$ 15,138,532</u>	<u>\$ 2,266,431</u>	<u>\$ 429,435</u>	<u>\$ 16,975,528</u>	<u>\$ 16,561,138</u>	<u>\$ 414,390</u>

Factors Bearing on the District's Future

The Equalized Assessed Value (EAV) for property within the District will increase 4.99%.

Expenses are expected to remain consistent with prior years.

Utilizing these factors, it is determined that the increase in the tax rate will fund the District's operational needs.

Request for Information

This financial report is designed to provide a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

Chief Brenda Farlow, Leyden Fire Protection District, 2600 N. Mannheim Road, Franklin Park, IL 60131

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LEYDEN FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

DECEMBER 31, 2022

Assets:	
Cash and cash equivalents	\$ 1,239,341
Receivables:	
Property taxes	1,694,325
State replacement tax	189,751
Ambulance billing - net of allowance	142,688
Prepaid expenses	11,788
Capital assets, net of accumulated depreciation	<u>2,880,681</u>
Total assets	<u>6,158,574</u>
 Deferred outflows:	
Pension fund deferred outflows	<u>6,278,974</u>
 Total assets and deferred outflows	 <u>12,437,548</u>
 Liabilities:	
Accounts payable	38,717
Accrued payroll expenses	42,235
General Obligation Bonds - Series 2018 - due in one year	170,000
General Obligation Bonds - Series 2021 - due in one year	235,000
Capital lease - Interceptor - due in one year	9,390
Long-term liabilities, net of current portion:	
Compensated absences	402,757
General Obligation Bonds - Series 2018	925,000
General Obligation Bonds - Series 2021	10,190,000
Capital lease - Interceptor	4,909
Net pension liability	<u>5,038,472</u>
Total liabilities	<u>17,056,480</u>
 Deferred inflows:	
Unavailable revenue - property taxes	1,694,325
Pension fund deferred inflows	<u>5,694,227</u>
Total deferred inflows	<u>7,388,552</u>
 Total liabilities and deferred inflows	 <u>24,445,032</u>
 Net position:	
Net investment in capital assets	1,776,832
Restricted for:	
Debt service	616,866
Special Revenue Funds	315,746
Unrestricted (deficit)	<u>(14,716,928)</u>
Total net position (deficit)	<u>\$ (12,007,484)</u>

LEYDEN FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

		Program Revenues		Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental activities:				
Fire protection/public safety	\$ 2,761,017	\$ (749,262)	\$ (8,556)	\$ (2,003,199)
Interest	337,098	-	-	(337,098)
Total governmental activities	<u>3,098,115</u>	<u>(749,262)</u>	<u>(8,556)</u>	<u>(2,340,297)</u>
General revenues:				
Property taxes				2,521,823
State replacement taxes				1,034,482
Fire alarm panels				5,140
Foreign fire insurance tax				7,899
Norcomm rental and electric				32,166
Interest				15,748
Other				123,390
Total general revenues				<u>3,740,648</u>
Change in net position				1,400,351
Net position (deficit), beginning of year				(13,249,985)
Prior period adjustment				<u>(157,850)</u>
Net position (deficit), end of year				<u>\$ (12,007,484)</u>

**GOVERNMENTAL FUNDS
FINANCIAL STATEMENTS**

LEYDEN FIRE PROTECTION DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Debt Service Funds		Special Revenue Funds			Totals
	Series 2002	General Obligation Bonds Series 2018	Series 2021	Ambulance	Emergency and Rescue	
Assets:						
Cash and cash equivalents	\$ 303,954	\$ 338,794	\$ 278,072	\$ 205,499	\$ 55,575	\$ 1,239,341
Property tax receivable	777,093	179,785	-	562,870	84,056	1,694,325
State replacement tax receivable	171,211	-	-	9,270	-	189,751
Prepaid insurance	-	-	-	-	-	11,788
Total assets	\$ 1,252,258	\$ 518,579	\$ 278,072	\$ 777,639	\$ 139,631	\$ 3,135,205
Liabilities, deferred inflows and fund balances						
Liabilities:						
Accounts payable	\$ 27,069	\$ -	\$ -	\$ 11,009	\$ 639	\$ 38,717
Accrued payroll expenses	20,780	-	-	20,285	-	42,235
Due to/from other funds	-	-	-	-	-	-
Total liabilities	47,849	-	-	31,294	639	80,952
Deferred inflows:						
Unavailable revenue - property taxes	777,093	179,785	-	562,870	84,056	1,694,325
Fund balances:						
Nonspendable for prepaid items	-	-	-	-	-	-
Assigned for debt service funds	-	338,794	278,072	-	-	616,866
Assigned for special revenue funds	-	-	-	183,475	54,936	315,746
Unassigned	427,316	-	-	183,475	54,936	427,316
Total fund balances	427,316	338,794	278,072	183,475	54,936	1,359,928
Total liabilities, deferred inflows and fund balances	\$ 1,252,258	\$ 518,579	\$ 278,072	\$ 777,639	\$ 139,631	\$ 3,135,205

LEYDEN FIRE PROTECTION DISTRICT

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE GOVERNMENT-WIDE NET POSITION (DEFICIT)
YEAR ENDED DECEMBER 31, 2022**

Total Governmental Fund Balances		\$	1,359,928
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Receivables not reported in the fund financial statements:			
Ambulance billing - net of allowance			142,688
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Land	\$	480,000	
Building		2,823,114	
Equipment		584,035	
Vehicles		1,798,501	
Accumulated depreciation		<u>(2,804,969)</u>	2,880,681
Pension fund deferred outflows are not reported in the fund financial statements.			
			6,278,974
Pension fund deferred inflows are not reported in the fund financial statements.			
			(5,694,227)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:			
General Obligation Bonds	\$	11,520,000	
Capital leases		14,299	
Compensated absences		402,757	
Net pension liability		<u>5,038,472</u>	<u>(16,975,528)</u>
Government-Wide Net Position (Deficit)			<u>\$ (12,007,484)</u>

LEYDEN FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Debt Service Funds				Special Revenue Funds			
	Corporate	General Obligation Bonds			Ambulance	Emergency and Rescue	Non-Major	Totals
		Series 2002	Series 2018	Series 2021				
Revenues:								
Property taxes	\$ 619,334	\$ 295,825	771,522	\$ 613,726	\$ 91,811	\$ 98,873	\$ 2,521,823	
State replacement taxes	824,447	-	-	\$ 146,428	-	63,607	1,034,482	
Fire alarm panels	5,140	-	-	-	-	-	5,140	
Interest	3,476	-	-	-	-	-	15,748	
Foreign fire insurance tax	7,899	4,766	4,048	3,458	-	-	7,899	
Ambulance billing	259,271	-	-	387,815	-	-	647,086	
Grants	8,556	-	-	-	-	-	8,556	
Norcomm rental and electric	28,071	-	-	-	-	4,095	32,166	
Other	14,391	-	-	139	-	-	14,530	
Total revenues	1,770,585	300,591	775,570	1,151,566	91,811	166,575	4,287,430	
Expenditures:								
Operations	82,225	-	-	63,920	1,730	7,500	155,375	
Insurance	-	-	-	-	-	148,942	148,942	
Debt service	36,496	153,810	497,498	26,458	-	-	771,210	
Equipment	62,679	-	-	94,219	21,213	-	178,111	
Building and grounds	72,042	-	-	34,928	-	-	106,970	
Salaries and benefits	1,184,746	-	-	716,842	85,826	38,237	2,025,651	
Total expenditures	1,438,188	153,810	497,498	936,367	108,769	194,679	3,386,259	
Excess (deficiency) of revenues over expenses	332,397	146,781	278,072	215,199	(16,958)	(28,104)	901,171	
Other financing sources and uses:								
Insurance Claim - Roof	110,534	-	-	-	-	-	110,534	
Interfund transfers	-	28,188	-	(55,799)	-	27,611	-	
Total other financing sources and uses	110,534	28,188	-	(55,799)	-	27,611	110,534	
Net change in fund balances	442,931	174,969	278,072	159,400	(16,958)	(493)	1,011,705	
Fund balances, beginning of year	(15,615)	163,825	-	24,075	71,894	77,828	348,223	
Fund balances, end of year	\$ 427,316	\$ 338,794	\$ 278,072	\$ 183,475	\$ 54,936	\$ 77,335	\$ 1,359,928	

See Accompanying Notes to Financial Statements.

LEYDEN FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO THE GOVERNMENT-WIDE CHANGES IN NET POSITION (DEFICIT)
YEAR ENDED DECEMBER 31, 2022

Net changes in Fund Balances - Total Governmental Funds		\$ 1,011,705
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures. In the Government-Wide Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period.		
Capital Outlay	\$ 56,901	
Depreciation expense	<u>(215,297)</u>	(158,396)
Governmental Funds do not report the net pension expense. The net pension expense is reflected in the Government-Wide Statement of Activities.		
		(2,266,431)
Governmental Funds report principal payments as expenditures. The payments are reflected as a reduction of liabilities in the Government-Wide Statement of Net Position		
Bond payments	\$ 364,950	
Capital lease payments	<u>60,694</u>	425,644
Governmental Funds do not report compensated absences. Compensated absences are recorded as part of salaries and benefits in Government-Wide Statement of Activities.		
		3,791
The Governmental Funds report as revenue cash received for ambulance billing. The Government-Wide financial statements report the amount due to the District as revenue, whether or not cash is received.		
		110,566
Pension fund deferred outflows and inflows are not reported in the Governmental Funds.		
Deferred outflows	\$ 848,911	
Deferred inflows	<u>1,432,955</u>	2,281,866
The Governmental Funds report as revenue cash received for rent & utilities and refunds receivable. The Government-Wide financial statements report the amounts due to the District as revenue, whether or not cash is received.		
		<u>(8,394)</u>
Government-Wide Change in Net Position		<u>\$ 1,400,351</u>

LEYDEN FIRE PROTECTION DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2022

(Unaudited)

ASSETS

Cash and cash equivalents	\$ 61,938
Investments, at fair market value - Pooled investments	<u>14,066,272</u>
Total Cash and investments	<u>14,128,210</u>
Taxes receivable	934,512
Prepays	<u>900</u>
Total assets	15,063,622

LIABILITIES

Current liabilities: Expenses Due/Unpaid	<u>3,565</u>
Fiduciary net position restricted for pensions	<u>\$ 15,060,057</u>

LEYDEN FIRE PROTECTION DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2022
(Unaudited)

Additions:

Investment income:

Interest and dividends	\$ 78,984
Net change in fair value of investments	<u>(1,427,535)</u>
	(1,348,551)
Less - investment expenses	<u>8,367</u>
Net investment income	<u>(1,356,918)</u>

Contributions:

Employer	966,378
Plan members	<u>111,555</u>
Total contributions	<u>1,077,933</u>

Total additions (278,985)

Deductions:

Benefits and refunds	1,164,222
Administrative	<u>31,825</u>
Total deductions	<u>1,196,047</u>

Change in fiduciary net position (1,475,032)

Net position restricted for pensions:

Beginning of year	<u>16,535,089</u>
End of year	<u>\$ 15,060,057</u>

NOTES TO FINANCIAL STATEMENTS

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies:

The financial statements of Leyden Fire Protection District (the "District") conform to Generally Accepted Accounting Principles in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles in the United States.

Reporting Entity

Leyden Fire Protection District is a Fire Protection District located in Cook County as described by Chapter 127 of the Illinois Revised Statutes. The District provides both fire protection and emergency medical services to residential and commercial properties in its district.

The District has implemented the provisions of GASB Statement No. 61 and has determined that no entities should be consolidated into its financial statements as component units, entities for which the government is considered to be financially accountable. Therefore, the reporting entity consists only of the fire district and there are no component units.

Government-Wide

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Fund Financial Statements

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

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies: (continued)

Fund Financial Statements: (continued)

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

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

Measurement Focus

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

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

Governmental Funds

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, and revenues and expenditures as appropriate. District resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into the following fund categories.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies: (continued)

Governmental Funds: (continued)

- Governmental Fund Type

Corporate Fund – The corporate fund is the general operating fund of the District. It is used to account for all the financial resources except those required to be accounted for in another fund. The corporate fund is considered a major fund and is reported as a separate column of the governmental fund's financial statements.

Debt Service Funds – The debt service funds are used to account for the resources for the retirement of the general obligation bond issues. The District has elected to report these funds as major funds.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources. (Funds include – Ambulance, Emergency and Rescue, Liability Insurance, Workmen's Compensation Insurance, Audit, and Social Security). The Ambulance and Emergency and Rescue funds are considered major funds and are reported as separate columns on the governmental fund financial statements. All other funds under this description are considered non-major and are reported in the non-major column.

Interfund Allocations

During the year, all cash received or expended by the District is transacted through the corporate fund cash account or accrued through various balance sheet accounts of the corporate fund. In contrast, when recording the revenues and expenditures, each fund recognizes its specific revenue or expense either in its entirety or by an allocation. At year end, the trustees recognize that the corporate fund cash account may have been borrowed from the special revenue and debt service funds. An estimate is made of the cash belonging to each of the separate funds and reclassified for financial statement purposes. The effect is to reduce the interfund borrowings to actual amounts. The corporate fund may again borrow from the funds at the beginning of the next fiscal year depending upon cash needs and corporate revenue receipts.

Interfund Receivables

During the course of its operations, the District has numerous transactions between funds to finance operations, provide services, purchase assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of December 31, 2022, balances of interfund amounts, receivable or payable, have been recorded as "due to/from other funds".

Interfund Transfers

Capital transferred from one fund to establish a new fund are recorded as transfers to/from other funds as other financing sources and uses on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies: (continued)

Budgetary Data

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Before the first quarter of each fiscal year, the Board of Trustees adopts an annual budget and appropriation ordinance.

The budget document is available for public inspection for at least thirty days prior to the Board of Trustees public hearing and passage of the annual budget and appropriation ordinance. The Board of Trustees has the authority to make necessary adjustments to the budget.

The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees approval. No formal supplemental appropriation was made during the fiscal year. The Fire Chief can approve expenditures that exceed any line item of department expenditures of a fund as long as the expenditure does not exceed appropriations. Thus, the legal level of budgetary control is determined by fund. The legal budgetary authority lapses at the end of the fiscal year.

Each fund of the District has a legally adopted budget. The original budget amounts shown in the financial statements are those originally adopted.

The final budget amounts shown in the financial statements reflect changes to the budget, post adoption, approved by the Board of Trustees during the year ended December 31, 2022.

Cash and Cash Equivalents

The District considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in common checking accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Receivables

Property taxes attach as an enforceable lien on property as of January 1 each year. District property tax revenues are recognized when levied to the extent that they are both measurable and available.

Other receivables are amounts due representing revenues earned or accrued in the current period.

The District maintains an allowance account for accounts receivable related to the ambulance billing. The ambulance billing companies can take several months to begin processing claims and can take years before they are paid. The District also only receives a portion of the total amounts billed to Medicare and Medicaid per claim. The allowance for accounts receivable is established based on management's judgment and historical collection trends. For the year ended 2022, management believes that of the \$570,751 of gross accounts receivable, that only 25% is collectible resulting in an allowance of \$428,063.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies: (continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid items.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period, and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period, and therefore will not be recognized as an inflow of resource until that time.

Compensated Absences

The District recognizes an expenditure for used compensated absences when taken. Unpaid compensated absences that are applicable to governmental activities are reported in the Statement of Net Position of the government-wide financial statements as long-term since the current portion of this liability is not determinable. Firefighters can accrue 75 days maximum of compensated absences. Any days over 75 at December 31 are bought back at 50% of the value.

Net Position and Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, net of related debt – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Position – This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations for other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Position – This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

As of December 31, 2022, fund balances of the General fund are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form, or they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes either because of constitutional provisions, or enabling legislation or constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

LEYDEN FIRE PROTECTION DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. Summary of Significant Accounting Policies: (continued)

Net Position and Fund Balance: (continued)

Assigned – amounts that do not meet the criteria to be classified as either restricted or committed but that are intended to be used for specific purposes. The Board or management has the authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Deficit Fund Balance

A net position deficit of \$ (12,007,484) exists in the government activities, resulting from the implementation of GASB No. 68 requiring the inclusion of unfunded pension liability.

Property Taxes

The Cook County taxing authority levies and collects property taxes based on the assessed value of property listed as of January 1. Tax levied in one year becomes due and payable in the following year. The first installment made in February, equals 55% of the prior year's total tax. The final installment occurs in July when the final levy amount has been determined. The second installment for the tax levy of 2022 normally due in August of 2022, was extended to December 1, 2022. The County remits the tax funds received to the District throughout the year as funds are collected. Taxes become delinquent after the first business days of March and August, respectively, and are subject to interest charges.

Property taxes for the 2021 levy were received and recognized as revenue in 2022. Property taxes for the 2022 levy, which will be received in 2023, are reflected as a receivable and a deferred inflow.

Deferred Revenues

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

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies: (continued)

Use of Estimates

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

GASB No. 68

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

2. Deposits and Investments:

Concentration of Custodial Risk

The District maintains its cash accounts at Fifth Third Bank and US Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC coverage is \$250,000 per depositor, per insured bank, for each ownership category. At December 31, 2022, the District has no funds in excess of the FDIC insurance.

3. Capital Assets:

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, if any, are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are expensed.

Major outlays for capital assets and improvements are capitalized when purchased. Capital assets of the District are depreciated using the straight line method over economic useful lives of: 3 to 15 years, for different types of equipment and vehicles, and 40 years for real property.

The District reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The District evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should an impairment in value be indicated, the carrying value of long-lived assets will be adjusted based on estimates of the fair value of the related assets. No impairments were reported on these financial statements.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

3. Capital Assets: (continued)

A summary of the changes in capital assets for the year ended December 31, 2022 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Prior Period Adjustment</u>	<u>Ending Balance</u>
Capital assets					
Land	\$ 480,000	\$ -	\$ -	\$ -	\$ 480,000
Building	2,823,114	-	-	-	2,823,114
Equipment	527,134	56,901	-	-	584,035
Vehicles	<u>1,798,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,798,501</u>
	5,628,749	56,901	-	-	5,685,650
Accumulated depreciation	<u>(2,431,822)</u>	<u>(215,297)</u>	<u>-</u>	<u>(157,850)</u>	<u>(2,804,969)</u>
Net capital assets	<u>\$ 3,196,927</u>	<u>\$ (158,396)</u>	<u>\$ -</u>	<u>\$ (157,850)</u>	<u>\$ 2,880,681</u>

4. Tax Anticipation Warrants:

The District negotiated a short-term tax anticipation warrants. Three warrants were issued for \$557,000 each through Amalgamated Bank of Chicago. The warrants were issued September 22, 2022. The warrants were repaid in December of 2022.

5. Liquidity and Availability of Resources:

Financial assets available for general expenditures is \$3,266,105 consisting of cash of \$1,239,341, property taxes receivable of \$1,694,325 and other receivables of \$332,439. The District monitors liquidity required to meet its operational needs and other contractual commitments. Property taxes receivable are received from the County based on the due date of taxes. As the installment dates have been extended, this can create extended periods with no property tax receipts. As part of the District's liquidity management, it procures short-term financing options to provide cash when needed.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

6. Long-term Liabilities:

Changes in long-term liabilities for the year ended December 31, 2022 are as follows:

	Beginning Balance	Increases	Payments	Ending Balance	Long-term Portion	Short-term Portion
Compensated absences	\$ 406,548	\$ -	\$ 3,791	\$ 402,757	\$ 402,757	\$ -
GO Bonds Series 2002	49,950	-	49,950	-	-	-
GO Bonds Series 2018	1,210,000	-	115,000	1,095,000	925,000	170,000
GO Bonds Series 2021	10,625,000	-	200,000	10,425,000	10,190,000	235,000
Capital lease - Engine	51,846	-	51,846	-	-	-
Capital lease - Interceptor	23,147	-	8,848	14,299	4,909	9,390
Net pension liability	<u>2,772,041</u>	<u>2,266,431</u>	<u>-</u>	<u>5,038,472</u>	<u>5,038,472</u>	<u>-</u>
	<u>\$ 15,138,532</u>	<u>\$ 2,266,431</u>	<u>\$ 429,435</u>	<u>\$ 16,975,528</u>	<u>\$ 16,561,138</u>	<u>\$ 414,390</u>

General Obligation Bonds - Series 2002

On December 10, 2002, the Board of Trustees adopted ordinance 2002-005 providing for the issuance of a General Obligation Bond, Series 2002 in the amount of \$999,000. Interest is payable at a rate of 4.7% per annum on May 1 and November 1 of each year commencing May 1, 2003. Principal of \$24,975 is payable with each interest payment. The bond was paid in full.

General Obligation Bonds - Series 2018

On May 8, 2018, the Board of Trustees adopted Ordinance 2018-002 providing for the issuance of a general obligation bond, Series 2018 in the amount of \$1,500,000 for the purposes of purchasing a new ladder truck, ambulance, equipment, and personnel expenses. Interest is payable at varying rates over the life of the bond. Interest is paid on June 1 and December 1 with principal due on December 1. The initial payment was due December 1, 2019 and the final payment is due December 2028.

	Principal	Interest	Total
2023	\$ 170,000	\$ 35,590	\$ 205,590
2024	175,000	30,575	205,575
2025	180,000	25,150	205,150
2026	185,000	19,390	204,390
2027	190,000	13,285	203,285
Thereafter	<u>195,000</u>	<u>6,825</u>	<u>201,825</u>
	<u>\$ 1,095,000</u>	<u>\$ 130,815</u>	<u>\$ 1,225,815</u>

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

6. Long-term Liabilities: (continued)

General Obligation Bonds – Series 2021

On December 8, 2021, the Board of Trustees adopted Ordinance 2021-004 providing for the issuance of a General Obligation Bond, Series 2021 in the amount of \$10,625,000 for the purpose of funding the District's unfunded Firefighters' Pension Plan liability. Interest is payable at various rates over the life of the bonds. The bond is scheduled to be paid in full by December 2045. The outstanding balance at December 31, 2022 is as follows:

	Principal	Interest	Total
2023	\$ 235,000	\$ 311,610	\$ 546,610
2024	290,000	309,026	599,026
2025	355,000	304,475	659,475
2026	360,000	298,462	658,462
2027	370,000	291,442	661,442
2028	375,000	283,302	658,302
Thereafter	8,440,000	2,785,528	11,225,528
	\$ 10,425,000	\$ 4,583,845	\$ 15,008,845

Capital Lease Obligation - Engine

During 2013, the District renegotiated a capital lease from December 5, 2007 that was for the acquisition of a new fire engine valued at \$579,230. The lease is payable in monthly installments of \$4,547, including interest at 4.89%, for a term of 180 months commencing January 5, 2008 and terminating December 5, 2022. The interest rate was reduced to 3.79% and the monthly payment to \$4,409.

The new lease payments commenced in March, 2014. A 1.5% early payoff penalty and accrued interest in the amount of \$6,499, for the period February 15, 2014 through February 17, 2014 was added to principal on the new lease which is reflected in the payment schedule. The engine was fully paid in 2022.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

6. Long-term Liabilities: (continued)

Capital Lease Obligation- Interceptor

During 2020, the District negotiated a capital lease for the acquisition of a 2020 Ford Interceptor utility vehicle valued at \$36,003. The lease is payable in sixteen quarterly payments of \$2,510 including interest of 5.99%. The lease commenced July 28, 2020 with a final payment due April 28, 2024.

Minimum future payments required under the lease obligation as of December 31, 2022 are as follows:

	Principal	Interest	Total
2023	\$ 9,390	\$ 650	\$ 10,040
2024	4,909	111	10,040
	\$ 14,299	\$ 761	\$ 20,080

The asset held through this capital lease agreement at December 31, 2022 is:

Vehicle	\$	36,003
Less - accumulated depreciation		(6,000)
Net book value	\$	30,003

7. Deferred Compensation Plan:

The District offers a deferred compensation plan administered by the Illinois Public Pension Fund Association (IPPFA).

The 457 Plan is a type of nonqualified, tax advantaged deferred-compensation retirement plan that is available for governmental and certain non-governmental employers in the United States. The employer provides the plan, and the employee defers compensation into it on a pre-tax basis. In 2022, elective deferral limits are \$20,500 with a catch-up contribution of \$6,500 for participants who are age fifty or over.

8. Line of Credit:

On February 8, 2022, the District entered into a unsecured loan (credit line) with Signature Bank for \$250,000, with a variable interest rate. The line of credit is scheduled to expire on February 8, 2023. There were no borrowings outstanding at December 31, 2022.

9. Operating Agreement:

The District entered into an agreement with the Norcomm Public Safety Communications, Inc. for Norcomm to rent a portion of the District's firehouse for maintaining a facility for 911 dispatch services. The agreement commenced May 1, 2005 and terminated on April 30, 2015. An option to extend the agreement was verbally agreed upon with no increases in rental amounts. The agreement is for monthly payments of \$2,100 plus one-twelfth of the amount charged to the District by the tenant for dispatching services, this amounted to \$25,200 for 2022.

LEYDEN FIRE PROTECTION DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

10. Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

11. Employee Benefit Plan:

The Leyden Fire Protection District Firefighters' Pension Fund was audited by other auditors whose report was unavailable as of the date of this report, and the amounts included in the financial statements are based solely on the information from the actuarial report. Effective for the year ended December 31, 2015, The District adopted the applicable provisions of GASB Statement No. 68, Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27.

Fund Accounting

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

Pension Funds are classified into the fiduciary category. Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the entity. When these assets are held under the terms of a formal trust agreement, a pension trust fund is used.

Measurement Focus and Basis of Accounting

The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

Summary of Funding Overview

The Leyden Fire Protection District Firefighters' Pension Fund is covered by the Firefighters Pension Plan that is a single employer defined-benefit plan administered by the Leyden Fire Protection District for employees of the District. The Firefighters' Pension Fund provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. The District's Fund issues a separate report that includes financial statements, note disclosures, and required supplementary information. The report may be obtained by contacting the Leyden Fire Protection District.

At December 31, 2022, the date of the latest actuarial valuation, the Firefighters' Pension Fund membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	14
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	5
Active Plan Members	<u>11</u>
	<u>30</u>

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Benefits Provided:

The Firefighters' Pension Fund 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 one-half 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% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 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% of the original pension and 3% 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% compounded. The annual benefit shall be increased by 2.5% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years of creditable service may retire at or after age 50 and receive a reduced benefit (i.e. $\frac{1}{2}$ of 1% 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. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% 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 Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. However, effective January 1, 2011, Illinois Compiled Statutes (ILCS) requires the District to contribute a minimum amount annually calculated using the project unit credit actuarial cost method that will result in the funding of 90% of the past service costs by the year 2040. For the year ended December 31, 2022, the District's contribution was 80% of covered payroll.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Actuarial Information

The following information provided in this note was compiled from the GASB No. 67 & No. 68 Report for Use in Financial Statement Reporting prepared by the Pension Fund's actuary.

Actuarial Methods

Actuarial Assumptions (Economic)

Discount Rate Used for the Total Pension Liability	5.85%
Expected Rate of Return on Investments	6.50%
High-Quality 20 Year Tax-Exempt G.O. Bond Rate	3.72%
Projected Individual Pay Increases	3.75%-10.50%
Projected Total Payroll Increases	3.25%
Consumer Price Index (Urban)	2.25%
Inflation Rate	2.25%

Actuarial Assumptions (Demographic)

Mortality Rates*	PubS-2010 Adjusted for Plan Status, Demographics and Illinois Public Pension Data.
Retirement Rates	100% of L&A 2020 Illinois Firefighters Retirement Rates Capped at Age 65
Termination Rates	100% of L&A 2020 Illinois Firefighters Termination Rates
Disability Rates	100% of L&A 2020 Firefighters Disability Rates
Marital Assumptions	Active Members: 80% Retiree & Disabled Members: Based on Actual Spousal Data

* See the *Notes on Actuarial Assumptions* section of this report for further details on Mortality Rates.

The actuarial assumptions (economic) rates shown above are assumed to be annual rates, compounded on an annual basis. For more information on the selection of actuarial assumptions, please see the Actuarial Assumption Summary document prepared for the Plan, available upon request.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Assumption Changes

The assumptions were changed from the prior year.

The High-Quality 20 Year Tax-Exempt General Obligation ("G.O.") Bond Rate assumption was changed from 2.12% to 2.06% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of Index is unchanged from the prior year. The rate has been updated to the current Fiscal Year End based on changes in market conditions as reflected in the Index. The change was made to reflect the actuaries understanding of the requirements of GASB under Statement 67 and Statement 68.

The Discount Rate used in the determination of the Total Pension Liability was changed from 6.00% to 5.85%. The Discount Rate is impacted by a couple of metrics. Any change in the underlying High-Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended Discount Rate.

In the current valuation, we have updated the expected rate of return-on-Investment assumption from 6.00% to 6.50%.

The above stated assumption changes were made to better reflect the future anticipated experience of the Plan.

In addition, there are changes that can be made that impact the projection of the Plan Fiduciary Net Position. For example, changes in the Formal or Informal Funding Policy can impact the Discount Rate. Actual changes in the Plan Fiduciary Net Position from one year to the next can impact the projections as well.

The actuary performed a comprehensive study of Firefighters and Firefighter Pension Funds in Illinois. They reviewed the result of the study as well as the demographic experience of the Fund. The actuarial assumptions were changed in the current year to the rates shown on the prior page of this report. The assumptions impacted include:

- Projected Individual Pay Increases
- Inflation Rate (CPI-U)
- Mortality Rates
- Mortality Improvement Rates
- Retirement Rates
- Termination Rates
- Disability Rates

In the current valuation, they have reviewed the projected individual pay increases assumption to reflect the Agreement between the Leyden Fire Protection District and the International Association of Fire Fighters for the period January 1, 2022 through December 31, 2024. The year over year step increases dictated by the wage schedule did not change significantly from the prior wage schedule; therefore, they have not updated the projected individual pay increases assumption.

The above stated assumption changes were made to better reflect the future anticipated experience of the Plan.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Assumption Changes: (continued)

In addition, there are changes that can be made that impact the projection of the Plan Fiduciary Net Position. For example, changes in the Formal or Informal Funding Policy can impact the Discount Rate. Actual changes in the Plan Fiduciary Net Position from one year to the next can impact the projections as well.

Actuarial Assumptions (Demographic)

Projected Individual Pay Increases

Projected individual pay increases include a long-term average increase for inflation, average annual increase for promotions, and any additional increases for a step program. Projected individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years. Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	9.03%	8	3.75%
1	9.90%	9	3.75%
2	10.50%	10	3.75%
3	9.87%	15	3.75%
4	9.33%	20	3.75%
5	4.75%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

Retirement Rates

100% of the L&A Assumption Study for Firefighters 2020 Cap Age 65. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
50	7.00%	58	17.15%
51	7.00%	59	17.15%
52	7.00%	60	20.00%
53	7.00%	61	20.00%
54	7.00%	62	20.00%
55	17.15%	63	25.00%
56	17.15%	64	25.00%
57	17.15%	65	100.00%

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Actuarial Assumptions (Demographic): (continued)

Termination Rates

100% of the L&A Assumption Study for Firefighters 2020 Cap Age 65. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	7.02%	40	1.25%
30	4.07%	45	0.41%
35	2.41%	50	0.00%

Disability Rates

100% of the L&A Assumption Study for Firefighters 2020 Cap Age 65. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	0.07%	40	0.54%
30	0.09%	45	0.75%
35	0.27%	50	0.97%

*75% of active Members who become disabled are assumed to be in the Line of Duty

Mortality Rates

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

50% of active members deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Marital Assumptions

Active Members: 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled Members.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Postemployment Benefit Changes

Eligibility for postemployment benefit increases is determined based on the Illinois Pension Code. Tier I Firefighter retirees are provided with an annual increase of 3.00% of the current retirement benefits by statute when eligible. Tier II Firefighter retirees are provided postemployment benefits increases based on the lesser of 3.00% of the original retirement benefits or one half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September 1992 was 141.30. The CPI-U for September 2022 was 296.81. The average increase in the CPI-U for September 1992 through September 2022 was 2.52% (on a compounded basis).

Expected Return on Pension Plan Investments

The Long-Term Expected Rate of Return is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy.

The table corresponding illustrates the best estimates of target allocations and Long-Term Expected Rates of Return developed for each of the major asset classes, adjusted for expected inflation. These rates and target allocations were disclosed by Marquette Associates for the Illinois Firefighters' Pension Investment Fund, dated April 29, 2022.

There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. We do not provide an opinion on the reasonableness of the returns provided nor the reasonableness of the approach used in the determination of the rates provided. The information provided is shown below for convenience.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Expected Return on Pension Plan Investments: (continued)

The rates provided in the table below are based on a geometric average. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

Asset Class	Long-Term Expected Rate of Return	Long-term Inflation Expectation	Long-Term Expected Real Rate of Return	Target Allocation
US Large Cap Equity	7.70%	2.50%	5.20%	31.00%
Developed Market Equity (Non-US)	7.60%	2.50%	5.10%	16.00%
Emerging Market Equity	8.00%	2.50%	5.50%	8.00%
Private Equity	11.10%	2.50%	8.60%	5.00%
Public Credit	4.30%	2.50%	1.80%	3.00%
Private Credit	9.50%	2.50%	7.00%	5.00%
Cash Equivalents	1.90%	2.50%	-0.60%	0.00%
Core Investment Grade Bonds	4.10%	2.50%	1.60%	15.00%
Long Term Treasuries	3.80%	2.50%	1.30%	3.00%
TIPS	3.30%	2.50%	0.80%	4.00%
Real Estate	7.40%	2.50%	4.90%	5.00%
Infrastructure	7.60%	2.50%	5.10%	5.00%

Municipal Bond Rate

The Municipal Bond Rate assumption is based on the Bond Buyer 20-Bond G.O. Index. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The indices represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indices would yield if the bond was sold at par value. The indices are simple averages of the average estimated yields of the bonds.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Expected Return on Pension Plan Investments: (continued)

Discount Rate

The Discount Rate used in the determination of the Total Pension Liability is based on a combination of the Expected Rate of Return on Plan Investments and the Municipal Bond Rate.

Cash flow projections were used to determine the extent to which the Plan's Projected Fiduciary Net Position will be able to cover Projected Benefit Payments. To the extent that Projected Benefit Payments are covered by the Plan's Projected Fiduciary Net Position, the Expected Rate of Return on Plan Investments is used to determine the portion of the Net Pension Liability associated with those payments. To the extent that Projected Benefit Payments are not covered by the Plan's Projected Fiduciary Net Position, the Municipal Bond Rate is used to determine the portion of the Net Pension Liability associated with those payments.

Projected Benefit Payments are determined during the actuarial process based on the assumptions. More details on the assumptions are earlier in this section of the report. The expected contributions are based on the funding policy of the Plan.

Sensitivity of the Discount Rate

The Employer's Net Pension Liability has been determined using the Discount Rate listed in this section of the report. Below is a table illustrating the sensitivity of the Employer's Net Pension Liability to the Discount Rate assumption.

	1% Decrease (4.85%)	Current Discount Rate (5.85%)	1% Decrease (6.85%)
Employer's Net Pension Liability	\$ 7,815,095	\$ 5,038,472	\$ 2,774,884

The sensitivity of the Employer's Net Pension Liability to the Discount Rate is based primarily on two factors:

1. The duration of the Plan's Projected Benefit Payments. Younger Plans with benefit payments further in the future will be more sensitive to changes in the Discount Rate.
2. The Percent Funded of the Plan (ratio of the Plan Fiduciary Net Position to the Total Pension Liability). The higher the Percent Funded, the higher the sensitivity to the Discount Rate.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Net Pension Liability

The components of the net pension liability of the District as of December 31, 2022 using the current discount rate of 5.85% are as follows:

Total Pension Liability	\$ 20,098,529
Plan Fiduciary Net Position	<u>15,060,057</u>
Employer's Net Pension Liability	\$ <u>5,038,472</u>

Plan Fiduciary Net Position as a Percentage of the total Pension Liability is 74.93%.

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022.

Aggregate Pension Expense

Service cost	\$ 368,350
Interest on the total pension liability	1,128,405
Changes of benefit terms	(37,114)
Recognition of outflows/inflows of resources due to liabilities	46,174
Recognition of outflows/inflows of resources due to assets	512,920
Employee contributions	(100,844)
Expected investment income	(988,562)
Contributions- other	(10,711)
Administrative expenses	<u>31,825</u>
Aggregate Pension Expense	<u>\$ 950,943</u>

For the year ended December 31, 2022 the District recognized an increase in the net pension liability of \$2,266,431. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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

	Deferred Outflows of of Resources	Deferred Inflows of of Resources
Recognized differences between expected an actual experience	\$ 247,649	\$ (628,105)
Recognized change in assumptions	3,997,189	(4,889,138)
Recognized differences between projected and actual earnings on pension plan investments	<u>2,034,136</u>	<u>(176,984)</u>
Total deferred inflows and outflows	<u>\$ 6,278,974</u>	<u>\$ (5,694,227)</u>

LEYDEN FIRE PROTECTION DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

11. Employee Benefit Plan: (continued)

Aggregate Pension Expense: (continued)

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

<u>Measurement Period</u>		<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$	446,071
2024	\$	503,296
2025	\$	100,198
2026	\$	(192,965)
2027	\$	(272,675)
Thereafter	\$	822

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

11. Employee Benefit Plan: (continued)

Aggregate Pension Expense: (continued)

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Est	Initial Period	Remaining Period	Balance Deferred Outflows 12/31/2021	Balance Deferred Inflows 12/31/2021	Amount Recognized in expense 12/31/2022	Balance Deferred Outflows 12/31/2022	Balance Deferred Inflows 12/31/2022
Asset loss	565,133	12/31/2018	5.00	1.00	113,025	-	113,025	-	-
Asset gain	332,928	12/31/2019	5.00	2.00	-	133,170	(66,586)	-	66,584
Asset gain	276,000	12/31/2020	5.00	3.00	-	165,600	(55,200)	-	110,400
Asset loss	262,922	12/31/2021	5.00	4.00	210,337	-	52,585	157,752	-
Asset loss	2,345,480	12/31/2022	5.00	5.00	-	-	469,096	1,876,384	-
					<u>323,362</u>	<u>298,770</u>	<u>512,920</u>	<u>2,034,136</u>	<u>176,984</u>
Assumption changes	2,762,690	12/31/2018	6.98	2.98	1,179,486	-	395,801	783,685	-
Assumption changes	3,148,046	12/31/2019	7.81	4.81	1,938,809	-	403,079	1,535,730	-
Assumption changes	2,582,623	12/31/2020	6.39	4.39	1,774,289	-	404,167	1,370,122	-
Assumption changes	(7,157,882)	12/31/2021	6.31	5.31	-	6,023,510	(1,134,372)	307,652	4,889,138
Assumption changes	369,060	12/31/2022	6.01	6.01	-	-	61,408	3,997,189	-
					<u>4,892,584</u>	<u>6,023,510</u>	<u>130,083</u>	<u>3,997,189</u>	<u>4,889,138</u>
Actuarial loss	501,529	12/31/2018	6.98	2.98	214,117	-	71,853	142,264	-
Actuarial gain	343,488	12/31/2019	7.81	4.81	-	211,545	(43,981)	-	167,564
Actuarial gain	777,149	12/31/2020	6.39	4.39	-	533,909	(121,620)	-	412,289
Actuarial gain	70,644	12/31/2021	6.31	5.31	-	59,448	(11,196)	-	48,252
Actuarial loss	126,420	12/31/2022	6.01	6.01	-	-	21,035	105,385	-
					<u>214,117</u>	<u>804,902</u>	<u>(83,909)</u>	<u>247,649</u>	<u>628,105</u>
					<u>\$ 5,430,063</u>	<u>\$ 7,127,182</u>	<u>\$ 559,094</u>	<u>\$ 6,278,974</u>	<u>\$ 5,694,227</u>

LEYDEN FIRE PROTECTION DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

11. Employee Benefit Plan: (continued)

Net Pension Liability

The District net pension liability (NPL) is \$ 5,038,472 at December 31, 2022. The NPL represents a deficiency between actuarial calculated liability and the actuarial value of pension assets and future contributions. The increase for the year 2022 to the liability was \$ 2,266,431.

The Schedule of Firefighters' Pension Fund - Employer Contributions and the Schedule of Firefighters' Pension Fund - Changes in Net Pension Liability and Related Ratios presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefit.

12. Commitments and Contingencies:

In the normal course of operations, the District becomes a party to various claims and lawsuits. In the opinion of legal counsel and District management, the ultimate resolution of such matters will not have a material effect on the financial position of the District. There were no pending claims or lawsuits during the year ended December 31, 2022.

13. Prior period adjustment:

At December 31, 2022 a (\$157,850) prior period adjustment has been recognized in the government-wide financial statements to correct the balance of accumulated depreciation.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

14. Recent Accounting Pronouncements:

Following is a list of recent GASB pronouncements related to reporting on Governmental entities and Pensions plans.

GASB Statement No. 95 – In May 2020, the GASB issued Statement No.95, *Postponement of the Effective Dates of Certain Authority Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately as they delayed the effective dates of several GASB Statements. The effective dates listed in the Future Governmental Accounting Standards Board (GASB) Pronouncement section have been updated to reflect the postponed effective dates.

GASB Statement No 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84 and A Supersession of GASB Statement No. 32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance relevance consistency, and comparability of the accounting and financial reporting for Internal revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective on various times, with some provisions effective immediately, and other provisions effective for fiscal years or reporting periods beginning after June 15, 2021.

GASB Statement No 98 – In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replaces instances of comprehensive annual financial report and its acronym in general accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The Statement is effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

14. Recent Accounting Pronouncements: (continued)

GASB Statement No 99 – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public- public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

14. Recent Accounting Pronouncements: (continued)

GASB Statement No 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No 101 – In June 2022, the GASB issued Statement No 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

15. Subsequent events:

Subsequent events were evaluated through the date of the accompanying independent auditor's report, which is the date the financial statements were available to be issued. There are no material subsequent events that require recognition or additional disclosure in these financial statements.

As of the date of these financial statements the second installment for the Cook County property tax bills have been delayed. The delay stems from technological updates at the Cook County Assessor's Office preventing it from forwarding assessment data to the Cook County Board of Review, which in turn will delay Board of Review certification of assessments and County Treasurer and Clerk finalization of the property tax bills. This could cause hardship on the District's revenue stream for operating needs for the end of 2023.

REQUIRED SUPPLEMENTARY INFORMATION

LEYDEN FIRE PROTECTION DISTRICT

**FIREFIGHTERS' PENSION FUND DISCLOSURES
YEAR ENDED DECEMBER 31, 2022**

MULTI-YEAR SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarial Determined Contribution</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2010	\$ 439,398	\$ 294,088	\$ (145,310)	\$ 829,095	35.5%
2011	500,073	448,369	(51,704)	791,347	56.7%
2012	415,860	386,692	(29,168)	897,802	43.1%
2013	403,308	388,591	(14,717)	976,509	39.8%
2014	449,679	461,948	12,269	1,034,659	44.6%
2015	500,504	500,884	380	1,065,304	47.0%
2016	629,789	527,898	(101,891)	1,038,557	50.8%
2017	773,738	594,462	(179,276)	1,022,900	58.1%
2018	778,883	607,195	(171,688)	1,056,144	57.5%
2019	839,802	749,234	(90,568)	1,150,266	65.1%
2020	1,032,245	878,326	(153,919)	1,136,061	77.3%
2021	1,126,052	1,126,052	0	1,172,983	96.00%
2022	1,170,656	966,378	(204,278)	1,195,296	80.85%

Notes to Schedule of Contributions

The Actuarially Determined Contribution shown above for the current year is the recommended Contribution from the January 1, 2021 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2021 tax levy. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Equivalent Single Amortization Period	100% Funded Over 20 Years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation (CPI-U)	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases	3.75% - 10.50%
Expected Rate of Return on Investments	6.00%
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics and Illinois Public Pension Data as described
Retirement Rates	100% of L&A 2020 Illinois Firefighters Retirement Rates Capped at Age 65
Termination Rates	100% of L&A 2020 Illinois Firefighters Termination Rates
Disability Rates	100% of L&A 2020 Illinois Firefighters Disability Rates

LEYDEN FIRE PROTECTION DISTRICT
FIREFIGHTERS' PENSION FUND DISCLOSURES
YEAR ENDED DECEMBER 31, 2022

Historical Asset Performance

The chart below shows the historical rates of return on investments for both Market Value of Assets and Actuarial Value of Assets.

	<u>Market Value of Assets</u>	<u>Actuarial Value of Assets</u>
FYE 2022	71.94%	79.14%
FYE 2021	85.57%	84.84%
FYE 2020	10.38%	5.67%
FYE 2019	11.96%	3.66%
FYE 2018	(4.98)%	1.10%

The historical rates of return on investments shown above were calculated based on the annual Return on Investments, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets for the year, the ending Market Value of Assets has been adjusted to net out to the portion related to the Return on Investments themselves. All other cash flows are included.

For purposes of determining the annual Return on Investments, the figures shown are net of investment expenses and administrative expenses. Netting out administrative expenses allows the actuary to capture returns for the year that can be used to make benefit payments as part of the ongoing actuarial process.

The adjustments made are for actuarial reporting purposes only. By netting out administrative expenses and capturing Return on Investments that are available to pay benefits, it provides the actuary a comparison to the Expected Rate of Return on Investments but does not provide a figure that would be consistent with the rates of return that are determined by other parties. Therefore, this calculated Return on Investments should not be used to analyze investment performance of the Fund or the performance of the investment professionals.

LEYDEN FIRE PROTECTION DISTRICT

FIREFIGHTERS' PENSION FUND DISCLOSURES
YEAR ENDED DECEMBER 31, 2022

Multyear Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Plan Years. (When available)

Plan year Ending December 31	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 368,850	\$ 644,458	\$ 533,812	\$ 407,745	\$ 299,399	\$ 341,431	\$ 368,179	\$ 344,338	\$ 289,813
Service cost	1,128,405	935,143	988,689	1,059,784	1,003,832	1,029,067	1,022,254	889,903	754,061
Interest	(37,114)			167,868					
Changes of benefit terms									
Differences between expected and actual experience	126,420	(70,644)	(777,149)	(343,488)	501,529	(393,347)	308,628	91,003	134,268
Change in assumptions	369,060	(7,157,882)	2,582,623	3,148,046	2,762,690	(454,031)	(675,818)	1,673,816	1,842,762
Benefit payments and refunds	(1,164,222)	(1,059,587)	(980,761)	(940,226)	(920,131)	(933,629)	(894,841)	(868,040)	(826,835)
Net change in total pension liability	791,399	(6,708,512)	2,347,214	3,499,729	3,647,319	(410,509)	128,402	2,131,020	2,194,069
Total pension liability - beginning	19,307,130	26,015,642	23,668,428	20,168,699	16,521,380	16,931,889	16,803,487	14,672,467	12,478,398
Total pension liability - ending	\$ 20,098,529	\$ 19,307,130	\$ 26,015,642	\$ 23,668,428	\$ 20,168,699	\$ 16,521,380	\$ 16,931,889	\$ 16,803,487	\$ 14,672,467
Plan fiduciary net position									
Contributions - employer	\$ 966,378	\$ 1,077,823	\$ 878,326	\$ 749,234	\$ 607,195	\$ 594,462	\$ 527,898	\$ 500,884	\$ 461,948
Contributions - members	100,844	112,325	107,754	102,884	101,924	100,408	99,842	99,385	97,442
Contributions - other	10,711								
Net investment income	(1,356,918)	402,365	603,303	627,280	(232,399)	409,593	246,685	(96,389)	240,810
Benefit payments and refunds	(1,164,222)	(1,059,587)	(980,761)	(940,226)	(920,131)	(933,629)	(894,841)	(868,040)	(826,835)
Administrative expenses	(31,825)	(36,350)	(35,013)	(38,367)	(33,469)	(31,838)	(26,814)	(26,445)	(24,041)
Net change in plan fiduciary net position	(1,475,032)	10,491,576	573,609	500,805	(476,880)	138,996	(47,230)	(390,606)	(50,676)
Plan fiduciary net position - beginning	16,535,089	6,043,513	5,469,904	4,969,099	5,445,979	5,306,983	5,354,213	5,744,820	5,795,496
Plan fiduciary net position - ending	\$ 15,060,057	\$ 16,535,089	\$ 6,043,513	\$ 5,469,904	\$ 4,969,099	\$ 5,445,979	\$ 5,306,983	\$ 5,354,214	\$ 5,744,820
Employer's net pension liability - ending	\$ 5,038,472	\$ 2,772,041	\$ 19,972,129	\$ 18,198,524	\$ 15,199,600	\$ 11,075,401	\$ 11,624,906	\$ 11,449,273	\$ 8,927,647
Plan fiduciary net position as a percentage of the total pension liability	74.93%	85.64%	23.23%	23.11%	24.64%	32.96%	31.34%	31.86%	39.15%
Covered-Employee Payroll	\$ 1,195,296	\$ 1,172,983	\$ 1,136,061	\$ 1,150,266	\$ 1,056,144	\$ 1,022,900	\$ 1,038,557	\$ 1,065,304	\$ 1,034,659
Employer's net pension liability as a percentage of covered-employee payroll	421.52%	236.32%	1758.01%	1582.11%	1439.16%	1082.75%	1119.33%	1074.74%	862.86%

LEYDEN FIRE PROTECTION DISTRICT

**CORPORATE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 702,247	\$ 619,334	\$ (82,913)
State replacement taxes	344,256	824,447	480,191
Fire alarm panels	8,000	5,140	(2,860)
Interest	-	3,476	3,476
Foreign fire insurance tax	7,250	7,899	649
Sale of capital assets	500	-	(500)
Ambulance billing	245,000	259,271	14,271
Grants	124,400	8,556	(115,844)
Norcomm rental and electric	34,020	28,071	(5,949)
Other	1,125	14,391	13,266
Total revenues	<u>1,466,798</u>	<u>1,770,585</u>	<u>303,787</u>
Expenditures:			
Operations	174,395	82,225	(92,170)
Debt service	431,933	36,496	(395,437)
Equipment	74,041	62,679	(11,362)
Building and grounds	134,100	72,042	(62,058)
Salaries and benefits	1,247,586	1,184,746	(62,840)
Total expenditures	<u>2,062,055</u>	<u>1,438,188</u>	<u>(623,867)</u>
Excess (deficiency) of revenues over expenses	<u>(595,257)</u>	<u>332,397</u>	<u>927,654</u>
Other financial sources and uses:			
Insurance Claim - Roof	100,000	110,534	10,534
Total other financing sources and uses	<u>100,000</u>	<u>110,534</u>	<u>10,534</u>
Net change in fund balance	(495,257)	442,931	938,188
Fund balance, beginning of year	<u>(15,615)</u>	<u>(15,615)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (510,872)</u>	<u>\$ 427,316</u>	<u>\$ 938,188</u>

LEYDEN FIRE PROTECTION DISTRICT

DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2022

General Obligation Bonds - Series 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 51,702	\$ 30,732	\$ (20,970)
Total revenues	<u>51,702</u>	<u>30,732</u>	<u>(20,970)</u>
Expenditures:			
Debt services	51,702	56,948	5,246
Total expenditures	<u>51,702</u>	<u>56,948</u>	<u>5,246</u>
Net change in fund balance	-	(26,216)	(26,216)
Fund balance, beginning of year	26,216	26,216	-
Fund balance, end of year	<u>\$ 26,216</u>	<u>\$ -</u>	<u>\$ (26,216)</u>

General Obligation Bonds - Series 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 105,000	\$ 295,825	\$ 190,825
Interest	2,000	4,766	2,766
Total revenues	<u>107,000</u>	<u>300,591</u>	<u>193,591</u>
Expenditures:			
Debt services	105,000	153,810	48,810
Salaries and benefits	2,000	-	(2,000)
Total expenditures	<u>107,000</u>	<u>153,810</u>	<u>46,810</u>
Excess (deficiency) of revenues over expenses	-	146,781	146,781
Other financial sources and uses:			
Interfund transfers	-	28,188	28,188
Total other financing sources and uses	<u>-</u>	<u>28,188</u>	<u>28,188</u>
Net change in fund balance	-	174,969	174,969
Fund balance, beginning of year	163,825	163,825	-
Fund balance, end of year	<u>\$ 163,825</u>	<u>\$ 338,794</u>	<u>\$ 174,969</u>

General Obligation Bonds - Series 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 500,000	\$ 771,522	\$ 271,522
Interest	-	4,048	4,048
Total revenues	<u>500,000</u>	<u>775,570</u>	<u>275,570</u>
Expenditures:			
Debt services	-	497,498	497,498
Total expenditures	<u>-</u>	<u>497,498</u>	<u>497,498</u>
Net change in fund balance	500,000	278,072	(221,928)
Other financial sources and uses:			
Interfund transfers	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	<u>\$ 500,000</u>	<u>\$ 278,072</u>	<u>\$ (221,928)</u>

LEYDEN FIRE PROTECTION DISTRICT

AMBULANCE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 702,247	\$ 613,726	\$ (88,521)
State replacement taxes	27,645	146,428	118,783
Interest	250	3,458	3,208
Ambulance billing	100,000	387,815	287,815
Other	140,125	139	(139,986)
Total revenues	970,267	1,151,566	181,299
Expenditures:			
Operations	161,205	63,920	(97,285)
Debt service	62,750	26,458	(36,292)
Equipment	78,525	94,219	15,694
Building and grounds	34,100	34,928	828
Salaries and benefits	631,685	716,842	85,157
Total expenditures	968,265	936,367	(31,898)
Excess (deficiency) of revenues over expenses	2,002	215,199	213,197
Other financial sources and uses:			
Interfund transfers	-	(55,799)	(55,799)
Total other financing sources and uses	-	(55,799)	(55,799)
Net change in fund balance	2,002	159,400	157,398
Fund balance, beginning of year	24,075	24,075	-
Fund balance, end of year	\$ 26,077	\$ 183,475	\$ 157,398

LEYDEN FIRE PROTECTION DISTRICT

EMERGENCY AND RESCUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 105,000	\$ 91,811	\$ (13,189)
Total revenues	<u>105,000</u>	<u>91,811</u>	<u>(13,189)</u>
Expenditures:			
Operations	2,550	1,730	(820)
Debt service	-	-	-
Equipment	8,175	21,213	13,038
Salaries and benefits	63,300	85,826	22,526
Total expenditures	<u>74,025</u>	<u>108,769</u>	<u>34,744</u>
Net change in fund balance	30,975	(16,958)	(47,933)
Fund balance, beginning of year	<u>71,894</u>	<u>71,894</u>	<u>-</u>
Fund balance, end of year	<u>\$ 102,869</u>	<u>\$ 54,936</u>	<u>\$ (47,933)</u>

LEYDEN FIRE PROTECTION DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2022

Budgetary Data

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Before the first quarter of each fiscal year, the Board of Trustees adopts an annual budget and appropriation ordinance.

The budget document is available for public inspection for at least thirty days prior to the Board of Trustees public hearing and passage of the annual budget and appropriation ordinance. The Board of Trustees has the authority to make necessary adjustments to the budget.

The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees approval. No formal supplemental appropriation was made during the fiscal year. The Fire Chief can approve expenditures that exceed any line item of department expenditures of a fund as long as the expenditure does not exceed appropriations. Thus, the legal level of budgetary control is determined by fund. The legal budgetary authority lapses at the end of the fiscal year.

Each fund of the District has a legally adopted budget. The original budget amounts shown in the financial statements are those originally adopted.

The final budget amounts shown in the financial statements reflect changes to the budget, post adoption, approved by the Board of Trustees during the year ended December 31, 2022. During the year 2022, no adjustments were made to the original budget.

OTHER SUPPLEMENTARY INFORMATION

LEYDEN FIRE PROTECTION DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
BUDGETARY COMPARISON
YEAR ENDED DECEMBER 31, 2022

	LIABILITY INSURANCE		WORKMENS COMPENSATION INSURANCE		AUDIT	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Property taxes	\$ 60,000	\$ 52,497	\$ (7,503)	\$ 42,000	\$ 36,724	\$ (5,276)
State replacement taxes	-	-	-	30,000	63,607	33,607
Interest	187	-	(187)	550	-	(550)
Ambulance billing	20,000	-	(20,000)	5,000	-	(5,000)
Norcomm rental and electric	-	4,095	4,095	-	-	-
Total revenues	<u>80,187</u>	<u>56,592</u>	<u>(23,595)</u>	<u>77,550</u>	<u>100,331</u>	<u>22,781</u>
Expenditures:						
Operations	22,050	-	(22,050)	-	-	-
Insurance	53,000	39,278	(13,722)	76,300	109,664	33,364
Equipment	2,725	-	(2,725)	-	-	-
Salaries and benefits	9,950	-	(9,950)	1,250	-	(1,250)
Total expenditures	<u>87,725</u>	<u>39,278</u>	<u>(48,447)</u>	<u>77,550</u>	<u>109,664</u>	<u>32,114</u>
Excess (deficiency) of revenues over expenses	<u>(7,538)</u>	<u>17,314</u>	<u>24,852</u>	<u>-</u>	<u>(9,333)</u>	<u>(9,333)</u>
Other financing sources and uses:						
Interfund transfers	3,780	-	(3,780)	-	-	-
Total other financing sources and uses	<u>3,780</u>	<u>-</u>	<u>(3,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>(3,758)</u>	<u>17,314</u>	<u>21,072</u>	<u>-</u>	<u>(9,333)</u>	<u>(9,333)</u>
Fund balance, beginning of year	<u>47,922</u>	<u>47,922</u>	<u>-</u>	<u>13,835</u>	<u>13,835</u>	<u>-</u>
Fund balance, end of year	<u>\$ 44,164</u>	<u>\$ 65,236</u>	<u>\$ 21,072</u>	<u>\$ 13,835</u>	<u>\$ 4,502</u>	<u>\$ (9,333)</u>
				<u>\$ 7,637</u>	<u>\$ 7,597</u>	<u>\$ (40)</u>
				<u>(2,987)</u>	<u>(3,027)</u>	<u>(40)</u>
				<u>10,624</u>	<u>10,624</u>	<u>-</u>
				<u>8,000</u>	<u>7,500</u>	<u>(500)</u>
				<u>(2,987)</u>	<u>(3,027)</u>	<u>(40)</u>
				<u>7,500</u>	<u>7,500</u>	<u>(500)</u>
				<u>(2,987)</u>	<u>(3,027)</u>	<u>(40)</u>

LEYDEN FIRE PROTECTION DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
BUDGETARY COMPARISON
YEAR ENDED DECEMBER 31, 2022

	SOCIAL SECURITY			TOTAL		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Property taxes	\$ 6,000	\$ 5,179	\$ (821)	\$ 113,000	\$ 98,873	\$ (14,127)
State replacement taxes	-	-	-	30,000	63,607	33,607
Interest	-	-	-	750	-	(750)
Ambulance billing	25,000	-	(25,000)	50,000	-	(50,000)
Norcomm rental and electric	-	-	-	-	4,095	4,095
Total revenues	<u>31,000</u>	<u>5,179</u>	<u>(25,821.00)</u>	<u>193,750</u>	<u>166,575</u>	<u>(27,175)</u>
Expenditures:						
Operations	-	-	-	30,050	7,500	(22,550)
Insurance	-	-	-	129,300	148,942	19,642
Equipment	-	-	-	2,725	-	(2,725)
Salaries and benefits	31,000	38,237	7,237	42,200	38,237	(3,963)
Total expenditures	<u>31,000</u>	<u>38,237</u>	<u>7,237</u>	<u>204,275</u>	<u>194,679</u>	<u>(9,596)</u>
Excess (deficiency) of revenues over expenses	-	(33,058)	(33,058)	(10,525)	(28,104)	(17,579)
Other financing sources and uses:						
Interfund transfers	-	27,611	27,611	3,780	27,611	23,831
Total other financing sources and uses	-	<u>27,611</u>	<u>27,611</u>	<u>3,780</u>	<u>27,611</u>	<u>23,831</u>
Net changes in fund balances	-	(5,447)	(5,447)	(6,745)	(493)	6,252
Fund balance, beginning of year	5,447	5,447	-	77,828	77,828	-
Fund balance, end of year	<u>\$ 5,447</u>	<u>\$ -</u>	<u>\$ (5,447)</u>	<u>\$ 71,083</u>	<u>\$ 77,335</u>	<u>\$ 6,252</u>

REVENUE CAPACITY SCHEDULES

LEYDEN FIRE PROTECTION DISTRICT

REVENUE CAPACITY SCHEDULES
 ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS AND TAX COLLECTIONS
 YEAR ENDED DECEMBER 31, 2022

Tax Year	2015	2016	2017	2018	2019	2020	2021
Assessed Valuation	\$ 194,474,298	\$ 221,782,430	\$ 225,492,153	\$ 221,880,316	\$ 256,551,140	\$ 264,348,100	\$ 264,634,296
Tax Rates							
Corporate	0.3543	0.3202	0.3336	0.3177	0.2451	0.2577	0.2607
Bonds & Interest	0.0355	0.0300	0.0285	0.0967	0.0843	0.0818	0.0876
Fire Pension	0.2818	0.2785	0.2838	0.3569	0.3735	0.3591	0.4345
Social Security	0.0129	0.0099	0.0104	0.0034	0.0032	0.0026	0.0022
Audit	0.0044	0.0040	0.0046	0.0049	0.0030	0.0017	0.0019
Liability Insurance	0.0515	0.0117	0.0125	0.0158	0.0180	0.0196	0.0223
Ambulance Service	0.3543	0.3202	0.3336	0.3177	0.2451	0.2577	0.2607
Workmen's Compensation	0.0463	0.0290	0.0142	0.0158	0.0242	0.0164	0.0156
Emergency & Rescue	0.0491	0.0484	0.0429	0.0556	0.0468	0.0367	0.0390
Fire Pension - P.A. 93-0689	0.0167	0.0180	0.0178	0.0195	0.0090	0.0075	0.0095
Levy Adjustment PA 102-0519	-	-	-	-	-	-	0.0109
	<u>1.2068</u>	<u>1.0699</u>	<u>1.0819</u>	<u>1.2040</u>	<u>1.0522</u>	<u>1.0408</u>	<u>1.1449</u>
Tax Extension							
Corporate	\$ 689,022	\$ 710,147	\$ 752,241	\$ 704,913	\$ 628,806	\$ 681,225	\$ 642,322
Bonds & Interest	69,087	66,621	64,156	214,596	216,212	216,130	215,797
Fire Pension	548,028	617,664	639,946	791,890	958,218	949,274	1,070,537
Social Security	25,087	21,956	23,451	7,543	8,209	6,873	5,420
Audit	8,556	8,871	10,372	10,872	7,696	4,493	4,681
Liability Insurance	100,154	25,948	28,186	35,057	46,179	51,812	54,943
Ambulance Service	689,022	710,147	752,241	704,913	628,806	681,225	642,322
Workmen's Compensation	90,041	64,316	32,019	35,057	62,085	43,353	38,435
Emergency & Rescue	95,486	107,342	96,736	123,365	120,065	97,015	96,089
Fire Pension - P.A. 93-0689	32,434	39,847	40,164	43,250	23,072	19,774	23,351
Levy Adjustment PA 102-0519	-	-	-	-	-	-	26,802
	<u>2,346,917</u>	<u>2,372,859</u>	<u>2,439,512</u>	<u>2,671,456</u>	<u>2,699,348</u>	<u>2,751,174</u>	<u>2,820,699</u>
Tax Collections	\$ 2,295,669	\$ 2,287,349	\$ 2,323,645	\$ 2,657,790	\$ 2,573,353	\$ 2,677,140	\$ 3,488,201
Percentage Collected	<u>97.82%</u>	<u>96.40%</u>	<u>95.25%</u>	<u>99.49%</u>	<u>95.33%</u>	<u>97.31%</u>	<u>123.66%</u>