

Orland Fire Protection District

Serving the Village of Orland Park, the Village of Orland Hills, and unincorporated areas of Orland Township in Illinois

Comprehensive Annual Financial Report For Fiscal Year Ended December 31, 2019



**ORLAND FIRE PROTECTION
DISTRICT, ILLINOIS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2019

**Submitted by:
Kerry Sullivan
Finance Director**

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

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INTRODUCTORY SECTION

Board of Trustees:
President Christopher Evoy
Secretary Craig Schmidt
Treasurer Jayne Schirmacher
Trustee John Brudnak Pres. Pro Tem
Trustee James Hickey
Fire Chief:
Michael Schofield



ORLAND FIRE PROTECTION DISTRICT

Administration Center

9790 West 151st Street • Orland Park, IL 60462

708/349-0074 • Fax 708/349-0351

www.orlandfire.org



ISO Class 1



Internationally
Accredited Agency

June 12, 2020

Board of Trustees
Orland Fire Protection District, Illinois

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Orland Fire Protection District, Illinois (the District) for the year ended December 31, 2019. The CAFR includes a complete set of financial statements presented in conformance with United States generally accepted accounting principles. The financial statements were audited by Mueller & Company, LLP, a firm of independent licensed certified public accountants who conducted the audit in accordance with generally accepted auditing standards.

This CAFR consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

To provide a reasonable basis for making its representations, management has established a comprehensive internal control framework. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that account transactions are executed in accordance with management's authorization and properly recorded so that the financial statements can be prepared in conformity with generally accepted accounting principles. The objective of the internal control framework is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The District's financial statements have been audited with the goal of providing reasonable assurance that the financial statements of the District for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the year ended December 31, 2019 are fairly presented in conformity

with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

In 2018, the District had to implement Governmental Accounting Standards Board Statement 75, Accounting and Financial Reporting for Post-Employment Benefits other than Pensions. In 2015, the District had to implement Government Accounting Standards Board Statement 68, Accounting and Financial Reporting for Pensions. The entity-wide statements now reflect, for the first time, the total actuarial pension and retiree health obligations of the District. The implementation of Statements 68 and 75 had a significant impact on the financial statements. It is very important to note that the District's ending fund balance (excluding the Pension Fund and the Retiree Health Trust Fund) as of December 31, 2019 was \$18,375,737, the Firefighter's Pension Fund had year-end net position of \$174,969,910 and the District has set aside \$9,675,238 to fund future retiree health costs.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). The MD&A immediately follows the Independent Auditor's Report. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

Profile of the District

The District was organized in 1969. The District operates under the provisions of the Fire Protection District Act of the State of Illinois and the District operates under an elected Board of Trustees form of government. The five-member Board of Trustees constitutes the primary policy-making body of the District. The Board of Trustees is responsible for, among other things, determining District policies, adopting the annual budget, levying taxes, adopting ordinances, and authorizing the payment of bills. The Fire Chief is appointed by the Board of Trustees and is responsible for the daily operations and management of the District. The Fire Chief recommends to the Board of Trustees all such matters as may be deemed necessary for the fulfillment of the administrative duties of his office.

The District provides a full range of services to the residents of the Village of Orland Park, the Village of Orland Hills and the unincorporated areas of Orland Township. These services include fire suppression services, emergency medical services, underwater rescue, hazardous material response, fire prevention and public education.

The District operates six fire stations which were strategically built to minimize response times based on projected populations. The District also operates a vehicle maintenance facility, a regional training center and administrative offices which are adjacent to Fire Station 1.

The District's reporting entity includes general District government and all related organizations for which the District exercises financial accountability as defined by the Governmental Accounting Standards Board. Accordingly, the District includes the financial results of the

Orland Firefighter's Pension Fund and the Orland Fire District Retiree Health Insurance Fund in these financial statements.

The President, Board of Trustees and staff of the District are intent on maintaining the District's strong financial condition, while continuing to provide the highest level of public services to its residents.

Financial Planning and Budgeting

The District has followed a consistent policy of maintaining strong fund balances in all funds as well as funding retirement and post-retirement benefit obligations. The result of these actions has allowed the District to lessen the future burden of these obligations as well as continue to provide a high level of service.

The annual budget, which is compiled with consideration of the District's Strategic Plan, serves as the District's foundation for financial planning and control. All programs of the District are required to submit their budget requests to the Fire Chief before July 31st of each year. After reviewing the budget requests, the Fire Chief presents a proposed budget to the Board of Trustees, who then hold public meetings to discuss the proposed budget. The tentative budget is made available to the public. The Board of Trustees is required to hold a public hearing on the proposed budget and to adopt the final budget no later than December 31st of each year.

The budget is prepared by fund, and includes program budgets with supplemental detail of each line item. Management is authorized to transfer budgeted amounts between departments within any fund; however, the Board of Trustees must approve any revisions that alter the total expenditures of any fund.

Budget to actual comparisons are provided in this report for General and Major Special Revenue Funds. The comparison is presented on pages 8-11 as part of the basic financial statements. For governmental funds other than the General and Ambulance Funds, this comparison is presented in the governmental fund subsection of this report on page 83.

Economic Condition and Outlook

The District's financial position, as reflected in the financial statements presented in this report, is perhaps best understood when it is considered from the broader perspective of the environment within which the District operates.

The District is located in southwest Cook County, approximately 22 miles from Downtown Chicago. The District covers approximately 30 square miles and has a population of approximately 68,500. The number of households within the District is approximately 25,661. The daytime population is higher due to the heavy retail concentration of Orland Park and Orland Hills. The area is easily accessible by O'Hare and Midway Airports, several interstate highways and Metra's commuter rail system.

The District has a diverse composition and economic base. Approximately 69.5% of the District's equalized assessed valuation (EAV) is related to residential development, 29.5% is related to commercial development and 1% is related to industrial development. The 2018 tax year EAV was \$2,492,376,691. In the 2017 tax year, the District's EAV was \$2,557,130,691. This 2.5% decrease is due to the change in Cook County's equalization factor.

Major employers within the District include Orland School District #135, Jewel/Osco Food Store, Consolidated High School District #230, Darvin Furniture, Lexington Healthcare, Lowe's Home Improvement, Meijer, Target, Lifetime Fitness & Panduit Corporation. The District is the location for much retail development including Orland Square Mall, the Orland Park Place Mall, Orland Crossings, and Orland Towne Center along with numerous smaller retail centers.

In November 2019, Von Maur opened a completely renovated store where Carson's was previously in Orland Square mall. Plans for development of the Sears store are being finalized. In the past few years, there were quite a few newly-constructed businesses in the District included – University of Chicago Medicine Center for Advanced Care, Palos Health South Campus, and Surgical Center, four strip malls, three other office parks, six restaurants and three car dealerships.

Major Initiatives for 2019

The District continues to work within the scope of its projected revenue while continuing to provide quality public services to its residents.

The District staffs a minimum of four engine companies, two truck companies and five ambulance crews daily. During 2019, District firefighters and paramedics responded to 10,666 calls, an 8.9% increase from 2018. Approximately 68% of the 2019 calls were for emergency medical services. The number of emergency medical service calls increased by 833 calls or 12.9%. Call volume to local assisted living facilities, nursing homes and rental units continued to increase in 2019. This trend is expected to continue. Fire/rescue calls increased 3.5% over 2018.

District staff, under the direction of the Board of Trustees and the Fire Chief, have been involved in a variety of projects during 2019. A number of significant projects are summarized below.

- Celebrated 50 years as a fire district and 125 years as a fire department.
- Firefighter /Paramedics served the community through responding to 10,666 calls, the highest call volume in District history.
- Ten Firefighter/Paramedics were hired to replace retired Firefighter/Paramedics.
- Land was purchase for a fleet maintenance facility.
- Maintained ISO1 and Accredited Agency status.

- Changes in the District’s fleet included a new ambulance, a new technical rescue vehicle and an order was placed for a new fire engine.
- Numerous grants were received including –
 - Cook County Department of Homeland Security and Emergency Management grant to train emergency responders. In 2019, 1,496 emergency responders were trained as a result of this grant funding (37,074 training hours).
 - Illinois Public Risk for fitness & safety initiatives and Illinois American Water for turnout gear for junior cadets.
- Training facility improvements were completed along with engineering work for future projects at the training campus & fleet maintenance facility
- Several firefighters were deployed to Hardin, Illinois to assist with rescue operations for the flooded area.
- Public education events included junior cadet camps, kids fire & life safety camp, annual open house, station tours, and seniors Christmas luncheon.

Major Initiatives for the Future

Major initiatives for 2020 include maintaining adequate firefighter staffing levels to meet response benchmarks, continued focus on training and safety and operational efficiencies.

The District has developed a five-year plan both for operations & capital projects. The five-year plans will be reviewed each year during the budget process.

Acknowledgements and Awards

The District recently received recognition from two external organizations for services provided – ranking as ISO Class 1 and achieving Accredited Status from the Center for Public Safety Excellence. The District is now one of 260 fire agencies internationally accredited and one of only 69 fire agencies in the country to be both accredited and with a ISO 1 ranking. These are the highest recognitions in the fire service and are possible only because of the commitment to excellence at every level of the organization.

Over the past several years, Emergency Medical Services has improved and enhanced training, programs and models of care, especially focused on cardiac arrest treatment. The District’s paramedics use a high performance CPR model in treating patients and community CPR training has been expanded. In 2019, the save rate for surviving cardiac arrest for District patients was 60%, compared to a national save rate of 33%.

The Government Finance Officers Association (GFOA) awarded its Distinguished Budget Presentation Award to the District in 2018 & 2019. The 2020 budget was submitted for this consideration as well.

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive Annual Financial Report (CAFR) since 2008. A Certificate of Achievement is valid for a period of one year. We believe our current report meets the requirements of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and we are submitting it to GFOA to determine its eligibility for this year's award. To be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and other applicable requirements.

The timely preparation of the CAFR was made possible by the efficient and dedicated services of the Finance Department, Administration and other District employees who were instrumental in the successful completion of this report. We sincerely appreciate and acknowledge the support and direction provided by the accounting firm of Mueller & Company, LLP, in preparing the District's CAFR. We would also like to express our appreciation to the Board of Trustees for their leadership and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Michael Schofield
Fire Chief



Kerry Sullivan
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Orland Fire Protection District

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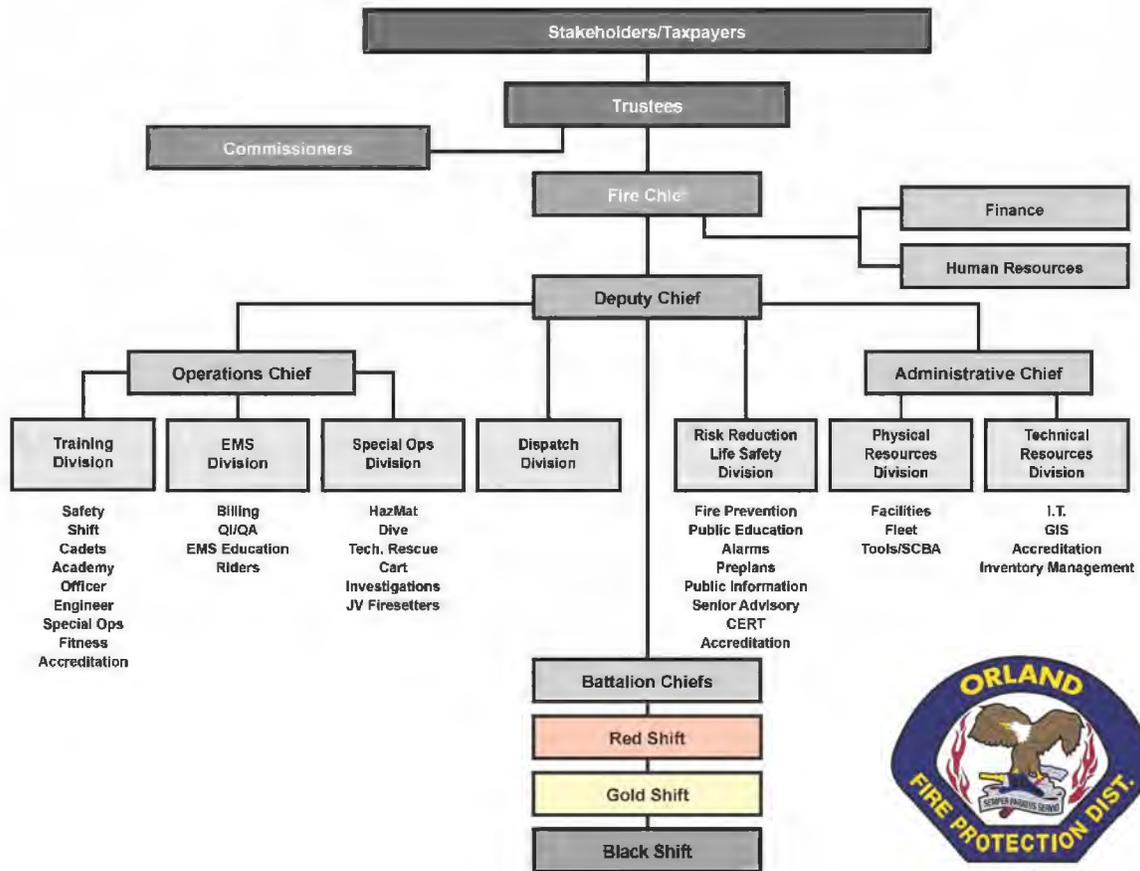
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Executive Director/CEO

The District's organizational chart follows.



**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NAMES AND TITLES OF PRINCIPAL OFFICIALS
DECEMBER 31, 2019**

Board of Trustees

Mr. Christopher G. Evoy - President

Mr. Craig Schmidt - Secretary

Mrs. Jayne Schirmacher - Treasurer

Mr. John Brudnak - Member

Mr. James P. Hickey - Member

Fire Chief

Michael Schofield

Finance Director

Kerry Sullivan

FINANCIAL SECTION



MUELLER & CO., LLP

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INDEPENDENT AUDITOR'S REPORT

Honorable District President and Board of Trustees
Orland Fire Protection District, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orland Fire Protection District, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of Orland Fire Protection District, Illinois, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages xiii through xxiii and employee retirement and post-employment benefit plan information on pages 54 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Orland Fire Protection District, Illinois. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

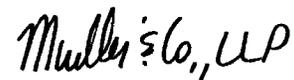
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Orland Fire Protection District, Illinois for the year ended December 31, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Orland Fire Protection District, Illinois as a whole. The individual fund financial statements and schedules for the year ended December 31, 2018 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 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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, and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. In our opinion, the 2018 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2020, on our consideration of internal control over financial reporting of Orland Fire Protection District, Illinois and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance of Orland Fire Protection District, Illinois. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance of Orland Fire Protection District, Illinois.

Orland Park, Illinois
June 12, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
as of and for the fiscal year ended December 31, 2019

As management of Orland Fire Protection District, Illinois (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended December 31, 2019.

Financial Highlights

- The liabilities and the deferred inflows of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$20,567,444 (*net deficit*). Of this amount, \$16,022,439 is invested in capital assets and \$2,808,362 is restricted for various purposes and, therefore, these amounts are not available for funding general activities. The District has an unrestricted deficit of \$39,398,245 at December 31, 2019. The total net position of the District increased by \$787,285 during fiscal year 2019.
- For the fiscal year ended December 31, 2019, total governmental revenues and other financing sources exceeded expenditures and other financing uses by \$699,087. Revenue increased by 8.7% over the prior year, including a 4.5% increase in property taxes, a 7.7% increase in charges for services, and a 167.3% increase in grant proceeds. Property taxes billed were 2.8% higher than the prior year and the collection rate was 1.6% greater than the prior year, mainly due to fewer property tax refunds. Charges for services increased due to an increase in ambulance fees, an increased collection rate for ambulance revenue, and increased dispatch service revenue due to dispatching for additional fire departments. Grant proceeds increased due to increased sub-grant agreements from the Cook County Department of Homeland Security and Emergency Management.
- As of December 31, 2019, the District's governmental funds reported combined ending fund balances of \$18,375,737. Approximately 32.2% of this amount (\$5,914,977) is available for spending at the District's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) for the General Fund was \$6,705,800, or approximately 30% of total General Fund expenditures. Unrestricted fund balance for the Ambulance Fund was \$7,101,920, or approximately 52.5% of Ambulance Fund expenditures.
- At December 31, 2019, the Firefighters' Pension Fund had a net position of \$174,969,910 with a funding ratio of 95.1%. Pension benefits paid in 2019 were \$5,949,137. IMRF had a funding ratio of 92.4%.
- The District's Retiree Health Insurance Fund had a net position of \$9,675,238 as of December 31, 2019. Benefits paid from the Retiree Health Insurance Fund were \$735,630 in 2019.
- The District's long-term liabilities at December 31, 2019 totaled \$52,734,103. Of the long-term liabilities, 42.2% is related to debt certificates which were issued in 2012 to fund the actuarial unfunded liabilities of the pension funds, 18.6% is related to net pension liabilities, 36.3% is related to postemployment benefits and compensated absences, and 2.9% is related to an installment contract and a note payable.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements.

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

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

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

The government-wide financial statements can be found on pages 1 - 2 of this report.

Fund Financial Statements

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

Governmental Funds. Governmental funds are used to account for 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.

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

The District maintains five individual governmental funds and subfunds. Information is presented separately for the major governmental funds in the Balance Sheet - Governmental Funds and in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. The General Fund, Ambulance Fund and the Capital Projects Fund are considered major funds. The District adopts an annual

appropriated budget for its funds. A budgetary comparison statement has been provided for the General and Ambulance Funds to demonstrate compliance with the budget.

The basic fund financial statements can be found on pages 3 - 11 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds *are not* available to support the District's own programs. The accounting method used for fiduciary funds is the full accrual basis.

The fiduciary funds utilized by the District are the Firefighters' Pension Fund and the Retiree Health Insurance Fund.

The basic fiduciary fund financial statements can be found on pages 12 - 13 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 - 53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's progress in funding its obligation to provide pension benefits and OPEB to its employees. This information is provided on pages 54 - 65 of the report.

The combining and individual fund financial statements and schedules in connection with the major, non-major governmental and fiduciary funds are presented immediately following the required supplementary information on pensions and OPEB. These statements and schedules can be found on pages 66 - 89 of this report.

Government-wide Financial Analysis

Statement of Net Position – Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, the liabilities and deferred inflows of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$20,567,444 (*net deficit*).

Orland Fire Protection District Statement of Net Position – Governmental Activities as of December 31,

	2019	2018
Assets:		
Current and other assets	\$ 50,345,652	\$ 48,721,128
Capital assets	<u>17,221,293</u>	<u>16,949,765</u>
Total assets	<u>67,566,945</u>	<u>65,670,893</u>
Deferred outflows of resources:		
Deferred outflows of resources related to pensions and OPEB	<u>13,336,663</u>	<u>25,491,848</u>
Liabilities:		
Current liabilities	1,202,368	1,188,580
Noncurrent liabilities	<u>52,734,103</u>	<u>62,097,696</u>
Total liabilities	<u>53,936,471</u>	<u>63,286,276</u>
Deferred inflows of resources:		
Property taxes levied for future periods	30,174,974	29,630,685
Deferred inflows of resources related to pensions and OPEB	<u>17,359,607</u>	<u>19,600,509</u>
Total deferred inflows of resources	<u>47,534,581</u>	<u>49,231,194</u>
Net position (deficit):		
Invested in capital assets, net of related debt	16,022,439	15,495,343
Restricted	2,808,362	2,636,279
Unrestricted deficit	<u>(39,398,245)</u>	<u>(39,486,351)</u>
Total net position (deficit)	<u>\$ (20,567,444)</u>	<u>\$ (21,354,729)</u>

Assets

Cash, investments, receivables and prepaid items are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the results of the property tax collection process; the District received 95.8% of the annual property tax assessment for 2018 in 2019. It is expected a similar collection rate will occur for 2019 taxes collected in 2020.

Capital assets are used in the operations of the District. These are land, improvements, buildings and improvements, apparatus and vehicles, and equipment. Capital assets are discussed in greater detail in the section titled, “Capital Assets and Debt Administration,” elsewhere in this analysis.

An investment of \$17,221,293 in land, improvements, buildings, apparatus, vehicles and equipment, to provide the services to the District’s residents, represents 25.5% of the District’s total assets.

Deferred Outflows of Resources

Deferred outflows of resources related to pensions, which are further explained on pages 33 and 38 of this report (the actuarial effect of changes of assumptions plus the difference between projected and actual earnings on pension investments), were recorded in 2019 in the amount of \$6,446,395. Of this total, \$5,777,581 is related to the Firefighters’ Pension Fund and \$668,814 is related to the Illinois Municipal Retirement Fund. Deferred outflows of resources related to OPEB, which are further explained on page 45 of this report (the actuarial effect of changes of assumptions plus the difference between projected and actual earnings on OPEB investments), were recorded in 2019 in the amount of \$6,890,268.

Liabilities

Current and long-term obligations are classified based on anticipated payment date either in the near-term or in the future. Current obligations include accounts payable and accrued salaries and benefits. Long-term obligations, which include the Series 2012 General Obligation Debt Certificates, a note payable, an installment contract payable, compensated absences payable, net pension liabilities, and the other postemployment benefits liability, will be liquidated from resources that will become available after fiscal year 2020.

Deferred Inflows of Resources

Unavailable revenue, in the form of assessed 2019 property taxes to be collected after fiscal year 2019, totaled \$30,174,974 at year-end. Deferred inflows of resources related to pensions, which are further explained on pages 33 and 38 of this report and include the difference between actuarial expectation and actual experience, were recorded in 2019 in the amount of \$7,756,745. Of this total, \$7,173,294 is related to the Firefighters’ Pension Fund and \$583,451 is related to the Illinois Municipal Retirement Fund. Deferred inflows of resources related to OPEB, which are further explained on page 45 of this report and include the difference between actuarial expectation and actual experience, were recorded in 2019 in the amount of \$9,602,862.

Net Position

The liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources, resulting in a net deficit of \$20,567,444. Total net deficit of the District does not include internal balances.

Statement of Activities

The following chart shows the revenue and expenses of the District's activities during 2019.

Orland Fire Protection District Statement of Net Position – Governmental Activities as of December 31,

	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 5,716,470	\$ 5,307,771
Operating grants and contributions	1,924,478	1,079,665
General revenues:		
Property taxes	29,313,495	28,047,908
Personal property replacement taxes	50,011	44,988
Investment income	75,304	81,710
Gain on sale of capital assets	223,341	-
Other income	191,638	220,003
Total revenues	37,494,737	34,782,045
Expenses:		
Governmental activities:		
Fire and rescue	16,525,606	16,091,329
Emergency medical service	14,258,062	13,774,228
General government	4,870,253	3,914,160
Interest	1,053,531	1,077,808
Total expenses	36,707,452	34,857,525
Changes in Net Position	787,285	(75,480)
Net deficit, beginning of year	(21,354,729)	(21,279,249)
Net deficit, end of year	\$ (20,567,444)	\$ (21,354,729)

Governmental activities increased the District's net position by \$787,285. Key elements contributing to this net change are summarized below.

Revenue: For the year ended December 31, 2019, total revenue from governmental activities (including program revenues and general revenues) increased by \$2,712,692, or 7.8%.

Total program revenues, which include charges for services as well as operating grants, increased by \$1,253,512, or 19.6%. The increase in program revenues is primarily related to an increase in ambulance fees

coupled with an improved collection rate for ambulance fees (increase of 7.8%) and a 48.8% increase in grant proceeds from Cook County Department of Homeland Security and Emergency Management.

General revenues, which include property taxes, personal property replacement taxes, investment income, and other income in the amount of \$29,853,789 increased by \$1,459,180 or 5.1%. Property tax billing was greater than prior year.

Expenses: Expenses from governmental activities were \$36,707,452. Expenses related to fire and rescue and emergency medical service accounted for 83.9% of total expenses.

Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$18,375,737, an increase of \$699,087 compared to the prior year. Of the total, \$504,953 is considered nonspendable because it has been used for prepaid items. 15.9%, or \$2,918,743, of the total is restricted due to external limitations on its use. These uses include emergency rescue (\$547,314), tort immunity (\$1,916,441), other general purposes (\$442,401), and ambulance services (\$12,587). 49.2%, or \$9,037,064, has been assigned, meaning there are limitations on its intended use. The assigned uses include general government (\$58,013), tort immunity purposes (\$336,493), emergency rescue purposes (\$396,317), emergency medical service (\$7,101,920), and capital projects (\$1,144,321). The remaining 32.2%, or \$5,914,977, is unassigned.

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

General Fund

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,914,977, while total fund balance of the General Fund was \$9,950,171. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. Total General Fund expenditures for 2019 were \$22,344,505. Unassigned fund balance represents 26.5% of these General Fund expenditures, while total fund balance represents 44.5% of that same amount.

Budgetary highlights for the General Fund follow.

**Orland Fire Protection District
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>	<u>Percentage of Actual to Budget</u>
Revenues				
Property taxes	\$ 20,079,939	\$ 20,306,180	\$ 226,241	101.1%
Charges for services	596,425	581,296	(15,129)	97.5%
Grant proceeds	1,952,054	2,154,355	202,301	110.4%
Investment income	24,838	22,591	(2,247)	91.0%
Personal property replacement tax	13,778	15,003	1,225	108.9%
Other	<u>179,154</u>	<u>161,703</u>	<u>(17,451)</u>	90.3%
Total	<u>22,846,188</u>	<u>23,241,128</u>	<u>394,940</u>	102.0%
Expenditures and Encumbrances				
Personnel	17,063,847	17,093,887	(30,040)	100.2%
Commodities	1,051,290	957,211	94,079	91.1%
Contractual	1,458,036	1,541,804	(83,768)	105.7%
Other	114,123	108,710	5,413	95.3%
Debt service	1,857,410	1,857,410	-	100.0%
Capital Outlay	<u>792,632</u>	<u>819,867</u>	<u>(27,235)</u>	103.4%
Total	<u>22,337,338</u>	<u>22,378,889</u>	<u>(41,551)</u>	100.2%
Net Change in Fund Balance	<u>\$ 508,850</u>	<u>\$ 862,239</u>	<u>\$ (353,389)</u>	

General Fund revenues in the amount of \$23,241,128 were 2.0% more than anticipated. Property taxes were 1.1% higher than anticipated. Charges for services were 2.5% lower than anticipated due to rescue fees being less than anticipated. Other revenue was 9.7% less than expected because miscellaneous revenue was less than anticipated. Expenditures were just 0.2% more than budget.

Ambulance Fund

Ending fund balance of the Ambulance Fund is to be used for the costs of emergency medical services and an allocation of administrative costs. At the end of the current fiscal year, nonspendable, restricted and assigned fund balance of the Ambulance Fund was \$7,281,245. Fund balance represents 53.8% of the Ambulance Fund expenditures.

Budgetary highlights for the Ambulance Fund follow.

**Orland Fire Protection District
Ambulance Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>	<u>Percentage of Actual to Budget</u>
Revenues				
Property taxes	\$ 9,103,197	\$ 9,007,315	\$ (95,882)	98.9%
Charges for services	4,928,440	5,135,174	206,734	104.2%
Investment income	58,088	51,019	(7,069)	87.8%
Personal property replacement tax	32,222	35,008	2,786	108.6%
Other	<u>14,963</u>	<u>29,935</u>	<u>14,972</u>	200.1%
Total	<u>14,136,910</u>	<u>14,258,451</u>	<u>121,541</u>	100.9%
Expenditures and Encumbrances				
Personnel	11,710,127	11,483,411	226,716	98.1%
Commodities	1,163,673	1,204,700	(41,027)	103.5%
Contractual	629,502	660,998	(31,496)	105.0%
Other	<u>510,415</u>	<u>274,869</u>	<u>235,546</u>	53.9%
Total	<u>14,013,717</u>	<u>13,623,978</u>	<u>389,739</u>	97.2%
Excess of Revenues over Expenditures	123,193	634,473	511,280	
Other Financing Uses				
Transfers out	<u>-</u>	<u>(900,000)</u>	<u>(900,000)</u>	
Net Change in Fund Balance	<u>\$ 123,193</u>	<u>\$ (265,527)</u>	<u>\$ (388,720)</u>	

Ambulance Fund revenues in the amount of \$14,258,451 were 0.9% more than anticipated revenues. Property taxes were 1.1% less than budget due to annual CPI decreases in property taxes. Charges for services were 4.2% greater than anticipated due to increased ambulance fees and ambulance fee collection rate. Other revenue was twice what was expected. Expenditures were 2.8% less than budget.

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2019 amounts to \$17,221,293. The District's investment in capital assets increased by \$271,528, due to capital asset additions that exceeded depreciation expense for the year. This investment in capital assets included land, buildings and improvements, apparatus and vehicles, and equipment.

**Orland Fire Protection District
Capital Assets (net of accumulated depreciation)
December 31, 2019**

Land	\$	584,783
Construction in progress		38,335
Buildings and improvements		11,746,519
Apparatus and vehicles		3,745,184
Equipment		<u>1,106,472</u>
 Total capital assets		 <u>\$ 17,221,293</u>

Additional information on the District's capital assets can be found in the notes to basic financial statements (see pages 28 - 29).

Long-term Liabilities

In December, 2012, the District issued taxable debt certificates in the amount of \$26,715,000 to pay the actuarial unfunded liability of its pension funds. The District received an Aa2 rating from Moody's Investors Service for this specific issue. The District has outstanding general obligation debt certificates of \$22,227,890 at the end of the current fiscal year.

Annual debt service payments were made as scheduled for the general obligation bond held by the District. No refinancing of debt occurred during 2019.

**Orland Fire Protection District
Long-term Liabilities
December 31, 2019**

Debt certificates	\$	22,227,890
Installment contract		474,096
Note payable		1,036,424
Compensated absences		1,706,643
Net pension liabilities		9,807,942
Other postemployment benefits liability		<u>17,481,108</u>
 Total long-term liabilities		 <u>\$ 52,734,103</u>

Additional information on the District's long-term liabilities can be found in the notes to basic financial statements (see pages 46 – 51).

Economic Factors and Next Year's Budget and Rates

The District's primary revenue source is property taxes, representing approximately 81.3% of total revenue. The Property Tax Extension Limitation Law allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction, and voter-approved rate increases.

Budgeted revenue for 2020 is \$37,609,160. Property taxes are assumed to increase for existing property by the Consumer Price Index and for new construction property. Other sources of budgeted revenue include fees for ambulance service, grant proceeds, fees for dispatch services provided to other fire departments, and other miscellaneous sources.

Budgeted expenditures for 2020 are \$37,117,853. Expenditures include salaries and benefits to maintain staffing levels, facility expenses to operate and maintain existing buildings, maintenance expenses to maintain existing apparatus, training expenditures funded through grant proceeds, debt payments, and other miscellaneous expenditures. The 2020 budget includes maintaining staffing levels, improving information technology and communications, replacing vehicles, and the purchasing of other specialized equipment.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Finance Director
Orland Fire Protection District
9790 West 151st Street
Orland Park, Illinois 60462

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

ASSETS

Cash and investments	\$ 15,124,760
Receivables, net of allowance for uncollectibles:	
Property taxes	30,223,314
Accounts	3,878,300
Due from fiduciary fund	18,027
Prepaid items	504,953
Deposits on purchase of vehicles	596,298
Capital assets not being depreciated	623,118
Capital assets, net of accumulated depreciation	<u>16,598,175</u>
Total assets	<u>67,566,945</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	6,446,395
Deferred outflows of resources related to other post-employment benefits	<u>6,890,268</u>
Total deferred outflows of resources	<u>13,336,663</u>

LIABILITIES

Accounts payable and other current liabilities	1,202,368
Noncurrent liabilities:	
Due within one year	1,897,747
Due in more than one year	<u>50,836,356</u>
Total liabilities	<u>53,936,471</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes levied for future period	30,174,974
Deferred inflows of resources related to pensions	7,756,745
Deferred inflows of resources related to other post-employment benefits	<u>9,602,862</u>
Total deferred inflows of resources	<u>47,534,581</u>

NET POSITION (DEFICIT)

Net investment in capital assets	16,022,439
Restricted for:	
Tort immunity	1,916,441
Emergency rescue	484,307
Other purposes	407,614
Unrestricted deficit	<u>(39,398,245)</u>
Total net position (deficit)	<u>\$ (20,567,444)</u>

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

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position (Deficit)</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	
Functions/programs:				
Governmental activities:				
Fire and rescue	\$ 16,525,606	\$ 530,241	\$ 1,924,478	\$ (14,070,887)
Emergency medical service	14,258,062	4,931,679	-	(9,326,383)
General government	4,870,253	254,550	-	(4,615,703)
Interest expense	<u>1,053,531</u>	<u>-</u>	<u>-</u>	<u>(1,053,531)</u>
Total governmental activities	<u>\$ 36,707,452</u>	<u>\$ 5,716,470</u>	<u>\$ 1,924,478</u>	<u>(29,066,504)</u>
General revenues:				
Taxes:				
Property				29,313,495
Personal property replacement				50,011
Gain on sale of capital assets				223,341
Investment income				75,304
Other income				<u>191,638</u>
Total general revenues				<u>29,853,789</u>
Change in net position (deficit)				787,285
Net position (deficit) at beginning of year				<u>(21,354,729)</u>
Net position (deficit) at end of year				<u>\$ (20,567,444)</u>

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

FUND FINANCIAL STATEMENTS

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Ambulance	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	\$ 12,881,913	\$ -	\$ 2,242,847	\$ 15,124,760
Receivables:				
Property taxes	21,099,435	9,123,879	-	30,223,314
Accounts	880,955	2,997,345	-	3,878,300
Due from other funds	1,041,391	4,605,514	-	5,646,905
Due from fiduciary fund	18,027	-	-	18,027
Prepaid items	338,215	166,738	-	504,953
	<u>\$ 36,259,936</u>	<u>\$ 16,893,476</u>	<u>\$ 2,242,847</u>	<u>\$ 55,396,259</u>
Total assets				
LIABILITIES				
Accounts payable	\$ 136,791	\$ 142,256	\$ 57,135	\$ 336,182
Accrued expenditures	465,190	349,360	-	814,550
Unearned revenue	4,215	-	-	4,215
Due to other funds	4,605,514	-	1,041,391	5,646,905
	<u>5,211,710</u>	<u>491,616</u>	<u>1,098,526</u>	<u>6,801,852</u>
Total liabilities				
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future period	21,054,359	9,120,615	-	30,174,974
Unavailable revenue - grant proceeds	43,696	-	-	43,696
	<u>21,098,055</u>	<u>9,120,615</u>	<u>-</u>	<u>30,218,670</u>
Total deferred inflows of resources				
FUND BALANCES				
Nonspendable	338,215	166,738	-	504,953
Restricted	2,906,156	12,587	-	2,918,743
Assigned	790,823	7,101,920	1,144,321	9,037,064
Unassigned	5,914,977	-	-	5,914,977
	<u>9,950,171</u>	<u>7,281,245</u>	<u>1,144,321</u>	<u>18,375,737</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,259,936</u>	<u>\$ 16,893,476</u>	<u>\$ 2,242,847</u>	<u>\$ 55,396,259</u>

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

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL
FUNDS TO NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019**

Fund balances - total governmental funds \$ 18,375,737

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. 17,221,293

Deposits made on the purchase of vehicles are not reported as assets in the governmental funds. 596,298

Long-term liabilities are not due and payable in the current year and, therefore, are not reported as liabilities in the funds. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Long-term liabilities and related accounts at year-end consist of:

Notes payable	\$	(1,036,424)
General obligation debt certificates		(22,430,000)
Unamortized issuance discount		202,110
Installment contract		(474,096)
Compensated absences		(1,706,643)
Net pension liabilities		(9,807,942)
Net other post-employment benefits liability		<u>(17,481,108)</u>

Total (52,734,103)

Accrued interest payable was recognized for governmental activities, but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. (47,421)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows and inflows of resources related to pensions at year-end are as follows:

Deferred outflows related to pensions	\$	6,446,395
Deferred inflows related to pensions		<u>(7,756,745)</u>

Total (1,310,350)
(continued)

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

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL
FUNDS TO NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019**

Deferred outflows and inflows of resources related to other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows and inflows of resources related to other post-employment benefits at year-end are as follows:

Deferred outflows related to other post-employment benefits	6,890,268	
Deferred inflows related to other post-employment benefits	<u>(9,602,862)</u>	
Total		(2,712,594)

Amounts due from other governmental units for revenues that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds.

43,696

Net position (deficit) of governmental activities

\$ (20,567,444)
(concluded)

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

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General	Ambulance	Capital Projects	Total Governmental Funds
Revenues:				
Property taxes	\$ 20,306,180	\$ 9,007,315	\$ -	\$ 29,313,495
Charges for service	581,296	5,135,174	-	5,716,470
Grant proceeds	2,154,355	-	-	2,154,355
Investment income	22,591	51,019	1,694	75,304
Personal property replacement taxes	15,003	35,008	-	50,011
Other	161,703	29,935	-	191,638
	<u>23,241,128</u>	<u>14,258,451</u>	<u>1,694</u>	<u>37,501,273</u>
Expenditures:				
Current:				
Fire and rescue	9,676,737	6,208,195	-	15,884,932
Emergency medical service	7,412,877	5,952,903	-	13,365,780
General government	2,511,706	1,146,586	-	3,658,292
Debt service:				
Principal	860,000	-	197,585	1,057,585
Interest	997,410	-	41,572	1,038,982
Capital outlay:				
Fire and rescue	885,775	-	618,514	1,504,289
Emergency medical service	-	219,694	694,844	914,538
	<u>22,344,505</u>	<u>13,527,378</u>	<u>1,552,515</u>	<u>37,424,398</u>
Excess (deficiency) of revenues over expenditures	<u>896,623</u>	<u>731,073</u>	<u>(1,550,821)</u>	<u>76,875</u>
Other financing sources (uses):				
Proceeds from note payable	-	-	350,000	350,000
Proceeds from sale of capital assets	-	-	272,212	272,212
Transfers in	-	-	900,000	900,000
Transfers out	-	(900,000)	-	(900,000)
	<u>-</u>	<u>(900,000)</u>	<u>1,522,212</u>	<u>622,212</u>
Total other financing sources (uses)	<u>-</u>	<u>(900,000)</u>	<u>1,522,212</u>	<u>622,212</u>
Net change in fund balances	896,623	(168,927)	(28,609)	699,087
Fund balances at beginning of year	<u>9,053,548</u>	<u>7,450,172</u>	<u>1,172,930</u>	<u>17,676,650</u>
Fund balances at end of year	<u>\$ 9,950,171</u>	<u>\$ 7,281,245</u>	<u>\$ 1,144,321</u>	<u>\$ 18,375,737</u>

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

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE CHANGE IN NET
POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net change in fund balances - total governmental funds \$ 699,087

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlay expenditures (\$1,545,061) exceeded depreciation (\$1,224,662) in the current period. 320,399

The net effect of transactions involving dispositions of capital assets was to decrease net position. (48,871)

The net effect of deposits made on the purchase of vehicles was to increase net position. 596,298

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,057,585

Proceeds from notes payable are an other financing source in the governmental funds, but increase long-term liabilities in the statement of net position. (350,000)

Governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (15,488)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requiring the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in the accrued interest balance from the previous year results in a decrease in interest expense reported in the statement of activities. 938

Long-term compensated absences do not require the use of current financial resources. Therefore, the decrease in compensated absences payable is not reported in the governmental funds. 36,314

The changes in the District's net pension liabilities and deferred outflows/inflows of resources related to pensions are only reported in the statement of activities. (2,654,507)

The changes in the District's total other post-employment benefits liability and deferred outflows/inflows of resources related to other postemployment benefits are only reported in the statement of activities. 1,375,407

Grant revenues in the statement of activities that do not provide current financial resources are included in deferred inflows of resources as reported in the governmental funds. This is the amount by which unavailable grant revenues at the end of the current fiscal year decreased from the corresponding amount at the end of the previous fiscal year. (229,877)

Change in net position (deficit) of governmental activities \$ 787,285

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

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2019

	General Fund				Ambulance Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Property taxes	\$ 20,071,351	\$ 20,079,939	\$ 20,306,180	\$ 226,241	\$ 8,700,000	\$ 9,103,197	\$ 9,007,315	\$ (95,882)
Charges for service	526,463	596,425	581,296	(15,129)	4,220,908	4,928,440	5,135,174	206,734
Grant proceeds	1,020,000	1,952,054	2,154,355	202,301	-	-	-	-
Investment income	8,985	24,838	22,591	(2,247)	21,014	58,088	51,019	(7,069)
Personal property replacement taxes	13,778	13,778	15,003	1,225	32,222	32,222	35,008	2,786
Other	256,556	179,154	161,703	(17,451)	67,697	14,963	29,935	14,972
Total revenues	21,897,133	22,846,188	23,241,128	394,940	13,041,841	14,136,910	14,258,451	121,541
Expenditures and encumbrances:								
Current:								
Personnel:								
Compensation and salaries	10,744,770	11,106,166	11,284,690	(178,524)	7,960,460	8,383,967	8,297,868	86,099
Payroll taxes	212,790	226,207	223,445	2,762	351,718	348,257	344,147	4,110
Education and seminars	1,140,904	843,853	834,253	9,600	59,798	41,800	43,441	(1,641)
Health and life insurance	2,360,964	2,432,777	2,296,655	136,122	1,986,964	2,936,103	2,797,955	138,148
Pension contribution	2,454,844	2,454,844	2,454,844	-	-	-	-	-
Commodities:								
Heat, light and power	60,245	56,146	68,919	(12,773)	140,755	131,165	160,813	(29,648)
Operational supplies	458,816	524,258	472,528	51,730	379,690	395,840	418,633	(22,793)
Postage and printing	1,069	831	1,042	(211)	3,502	2,723	3,474	(751)
Protective clothing	94,299	127,768	103,583	24,185	65,901	86,678	72,804	13,874
Repairs and maintenance	241,364	257,070	228,014	29,056	339,943	280,378	289,107	(8,729)
Telephone	12,879	13,156	17,217	(4,061)	30,121	30,767	40,175	(9,408)
Contractual:								
Billing services	-	-	-	-	130,000	175,045	182,798	(7,753)
Facility charge	-	-	94,980	(94,980)	-	-	-	-
Insurance	1,189,013	1,144,187	1,120,878	23,309	-	-	-	-
Professional services	336,066	313,849	325,946	(12,097)	347,187	454,457	478,200	(23,743)
Other	138,550	114,123	108,710	5,413	375,906	510,415	274,869	235,546
Debt service:								
Principal	1,857,410	860,000	860,000	-	-	-	-	-
Interest	-	997,410	997,410	-	-	-	-	-
Capital outlay	87,969	864,693	885,775	(21,082)	288,248	236,122	219,694	16,428
Total expenditures and encumbrances	21,391,952	22,337,338	22,378,889	(41,551)	12,460,193	14,013,717	13,623,978	389,739

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

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2019

	<u>General Fund</u>				<u>Ambulance Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Excess of revenues over expenditures and encumbrances	505,181	508,850	862,239	353,389	581,648	123,193	634,473	511,280
Other financing uses:								
Transfers out	-	-	-	-	-	-	(900,000)	(900,000)
Net change in fund balances	505,181	508,850	862,239	353,389	581,648	123,193	(265,527)	(388,720)
Fund balances at beginning of year (non-GAAP budgetary basis)	<u>8,993,838</u>	<u>8,993,838</u>	<u>8,993,838</u>	<u>-</u>	<u>7,416,811</u>	<u>7,416,811</u>	<u>7,416,811</u>	<u>-</u>
Fund balances at end of year (non-GAAP budgetary basis)	9,499,019	9,502,688	9,856,077	353,389	7,998,459	7,540,004	7,151,284	(388,720)
Adjustment to generally accepted accounting principles:								
Current year encumbrances included in expenditures	-	-	94,094	94,094	-	-	129,961	129,961
Fund balances at end of year (GAAP basis)	<u>\$ 9,499,019</u>	<u>\$ 9,502,688</u>	<u>\$ 9,950,171</u>	<u>\$ 447,483</u>	<u>\$ 7,998,459</u>	<u>\$ 7,540,004</u>	<u>\$ 7,281,245</u>	<u>\$ (258,759)</u>

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

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2019**

ASSETS

Cash	\$	8,379,391
Accrued interest receivable		360,182
Investments:		
Debt issues:		
Corporate		29,418,842
Foreign		1,570,181
Municipal		2,442,066
Equities:		
Domestic		10,223,772
Foreign		136,893
Mutual funds:		
Bonds		1,416,019
Equities		91,958,867
Other pooled equity investments		416,930
Other pooled fixed income investments		243,544
Separate account		17,314,340
U.S. government agency obligations		3,525,405
U.S. Treasury notes		17,283,129
Prepaid items		<u>16,560</u>
Total assets		<u>184,706,121</u>

LIABILITIES

Accounts payable		42,946
Due to other fund		<u>18,027</u>
Total liabilities		<u>60,973</u>

NET POSITION

Net position restricted for:		
Pension benefits		174,969,910
Other post-employment benefits		<u>9,675,238</u>
Total net position		<u>\$ 184,645,148</u>

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

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2019

Additions:	
Contributions:	
Employer	\$ 3,954,854
Employees	<u>1,378,605</u>
Total contributions	<u>5,333,459</u>
Investment income	27,219,713
Less investment expense	<u>(340,708)</u>
Net investment income	<u>26,879,005</u>
Total additions	<u>32,212,464</u>
Deductions:	
Benefit payments	6,684,767
Administrative expenses	<u>102,385</u>
Total deductions	<u>6,787,152</u>
Increase in net position	25,425,312
Net position at beginning of year	<u>159,219,836</u>
Net position at end of year	<u>\$ 184,645,148</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Orland Fire Protection District, Illinois (the "District"). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The District does not engage in any business-type activities.

B. Reporting Entity

The District provides fire, rescue, emergency medical services and general administrative services. The accompanying financial statements present the District and its component units, entities for which the government is considered to be financially accountable. Fiduciary-type component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, fiduciary-type component units are appropriately presented as funds of the District.

Fiduciary-type component units. The District's fiduciary-type component units consist of the Orland Fire Protection District Firefighters' Pension Fund ("FPF") and the Retiree Health Insurance Fund ("RHIF").

The District's sworn firefighters participate in the FPF. FPF functions for the benefit of these employees and is governed by a pension board. The District and the FPF participants are obligated to fund all FPF costs based upon actuarial valuations. The state of Illinois is authorized to establish benefit levels and the District is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Although it is legally separate from the District, the FPF is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the District's sworn firefighters. The FPF is reported as a pension trust fund.

The District's sworn firefighters also participate in the RHIF, which provides health insurance coverage for retired employees and their spouse and dependents until they reach age 65. The District funds RHIF costs based upon actuarial valuations. The RHIF is reported as if it were part of the primary government because its sole purpose is to provide health insurance benefits for the District's sworn firefighters. The RHIF is reported as a trust fund.

C. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary-type component units. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It is comprised of three subfunds: the Corporate Fund, the Tort Liability Fund, and the Emergency Rescue Fund. The Corporate Fund accounts for the direct costs of fire suppression and an allocation of administration costs. The Tort Liability Fund accounts for all costs of insurance and risk management. The Emergency Rescue Fund is used to account for expenditures funded through property taxes levied for rescue purposes.

The Ambulance Fund accounts for the direct costs of emergency medical services and an allocation of administration costs funded by a tax levy restricted for that purpose and charges for service.

The Capital Projects Fund accounts for financial resources accumulated for the acquisition or construction of capital improvements.

Additionally, the District reports the following fiduciary funds:

The Firefighters' Pension Fund accumulates resources for the benefit of the members of the pension fund.

The Retiree Health Insurance Fund accumulates resources for health insurance benefits for the District's retirees.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide 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, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Additionally, property taxes are recognized on the current year's levy in conjunction with the amount budgeted by the Board of Trustees for the current year with the unrecognized amount being recorded as unavailable revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for service, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The pension and other post-employment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2019**

F. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that in certain governmental funds encumbrances are recorded as the equivalent of expenditures for budgetary basis purposes. Encumbrances are recorded in the Corporate, Tort Liability, Emergency Rescue, Ambulance, and Capital Projects funds.

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

1. The Chief submits to the District Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them for the general, special revenue and capital projects funds.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance. The budget for the year ended December 31, 2019 was adopted through the passage of ordinance number 2018-06 on November 27, 2018 and was subsequently amended through the passage of ordinance number 2019-04 on December 17, 2019.
4. With authorization from the Chief, the Finance Director is allowed to transfer appropriated amounts between line items within funds.
5. The level of control (level at which expenditures may not exceed budget/appropriations) is the line item of appropriation. Appropriations lapse at the end of the fiscal year.
6. Budgeted expenditures represent working budget amounts. The appropriations as adopted for each fund are as follows:

General Fund:	
Corporate Subfund	\$ 19,797,983
Tort Liability Subfund	3,003,467
Emergency Rescue Subfund	2,383,126
Ambulance Fund	15,887,054
Capital Projects Fund	1,032,979

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the District. Outstanding encumbrances at the end of the year are reported in fund balance as restricted, committed or assigned and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Encumbrances outstanding at December 31, 2019 totaled \$654,049.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

The following funds had an excess of actual expenditures/encumbrances over the working budget amount for the year ended December 31, 2019:

Fund	Budget	Actual	Variance
General subfund:			
Corporate Fund	\$ 17,511,886	\$ 17,691,792	\$ 179,906
Capital Projects Fund	939,072	1,615,322	676,250

The overexpenditure in the Corporate Fund was funded by greater than anticipated revenues and available balance. The overexpenditure in the Capital Projects Fund was funded by other financing sources.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Investments

Investments are reported at fair value.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expense/expenditure when consumed rather than when purchased.

3. Capital Assets

Capital assets, which include land, buildings and improvements, apparatus, vehicles, and equipment, reported in the government-wide financial statements are defined by the District as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

Buildings and improvements, apparatus, vehicles, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Apparatus	10-20
Vehicles	5
Equipment	10

4. *Deferred Outflows/Inflows of Resources*

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category in the government-wide financial statements. They are deferred outflows of resources related to pensions (see Notes II.E.1 and 2 for further discussion of deferred outflows of resources related to pensions) and deferred outflows of resources related to other post-employment benefits (see Note II.E.4 for further discussion of deferred outflows of resources related to other post-employment benefits).

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. One item, included in the government-wide and fund financial statements, is related to property taxes that are levied for future periods. Two other items, included in the government-wide financial statements, are deferred inflows of resources related to pensions (see Notes II.E.1 and 2 for further discussion of deferred inflows of resources related to pensions) and deferred inflows of resources related to other post-employment benefits (see Note II.E.4 for further discussion of deferred inflows of resources related to other postemployment benefits). The fourth item, unavailable grant proceeds, is reported as deferred inflows of resources in the governmental fund balance sheets.

5. *Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as gains (losses) on refundings, are deferred and amortized over the term of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred inflows (outflows) of resources. Bond issuance costs are reported as expenses in the periods in which they are incurred.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are reported as debt service expenditures.

6. *Net Position Flow Assumption*

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

7. *Fund Balance Flow Assumptions*

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Trustees may by resolution authorize an individual or body to assign fund balance. The Board of Trustees has not adopted such a resolution. The Board of Trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and Expenses/Expenditures

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to individuals or entities that 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied as of January 1 on property values assessed on the same date. The tax levy is divided into two billings: the first billing (mailed on or about February 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on or about July 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective billing date at which time the applicable property is subject to lien and penalties and interest are assessed. The District receives significant distributions of property tax receipts approximately one month after the due dates.

3. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. The liability for sick pay is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

I. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets, liabilities, and deferred outflows/inflows of resources; the disclosure of contingent assets and liabilities; and the reported revenues and expenses/expenditures. Significant estimates used in preparing the government-wide financial statements include the assumptions used to determine the net pension and other post-employment benefits liabilities and the related deferred outflows/inflows of resources. It is at least reasonably possible that the significant estimates used will change within the next year.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2019**

J. Comparative Data

Comparative data for the prior year have been presented in the combining and individual fund financial statements and schedules in order to provide an understanding of the changes in the financial position and operations of the various funds of the District.

K. Management's Evaluation of Going Concern

In accordance with accounting principles generally accepted in the United States of America, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the District's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the District's ability to continue as a going concern for the period from June 12, 2020 to June 12, 2021.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the deposits of the District, the Firefighters' Pension Fund, and the Retiree Health Insurance Fund might not be recovered. The investment policies of the District and the Retiree Health Insurance Fund require the amount of collateral provided to be at a minimum of 110% of the net amount of deposits. The Firefighters' Pension Fund does not have a deposit policy for custodial credit risk. As of December 31, 2019, bank balances of the Firefighters' Pension Fund and the Retiree Health Insurance Fund were fully insured. As of December 31, 2019, \$12,613,757 of the District's bank balances of \$15,451,061 was exposed to custodial credit risk and classified as follows:

Uninsured and collateralized with securities held by the pledging financial institutions	\$ 10,771,886
Uninsured and collateralized with securities held by the pledging financial institution's trust department but not in the District's name	<u>1,841,871</u>
Total	<u>\$ 12,613,757</u>

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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YEAR ENDED DECEMBER 31, 2019**

Investments

As of December 31, 2019, the Firefighters' Pension Fund and the Retiree Health Insurance Fund had the following investments:

Type of Investment	Fair Value	Average Credit Quality Ratings (1)	Weighted Average Years to Maturity (2)
Firefighters' Pension Fund:			
Debt issues:			
Corporate*	\$ 28,306,098	AAA - BBB- / AAA - BA1	5.39
Foreign*	1,570,181	AA- - BBB- / AA2 - BAA3	4.20
Municipal*	2,442,066	AAA - A / AAA - A2	10.15
Equities:			
Domestic	10,223,772	N/A	N/A
Foreign	136,893	N/A	N/A
Mutual funds:			
Equities	85,981,620	N/A	N/A
Separate account	17,314,340	N/A	N/A
U.S. government agency obligations*	3,525,405	AA+ / AAA	8.04
U.S. Treasury notes*	<u>17,220,878</u>	N/R / AAA	4.10
Total	<u>\$ 166,721,253</u>		
Retiree Health Insurance Fund:			
Debt issues:			
Corporate*	\$ 1,112,744	AAA - A3	1.36
Mutual funds:			
Bonds	1,416,019	N/A	7.34
Equities	5,977,247	N/A	N/A
Other pooled equity investments	416,930	N/A	N/A
Other pooled fixed income investments	243,544	N/A	See (3)
U.S. Treasury note	<u>62,251</u>	N/R	7.27
Total	<u>\$ 9,228,735</u>		

(1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.

(2) *Interest Rate Risk* is estimated using weighted average years to maturity.

(3) Information is not available.

* Some investments are not rated

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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YEAR ENDED DECEMBER 31, 2019**

Investment Policies

District

The District's investments are subject to the following risks:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District manages its exposure to declines in fair value by diversification of investments and maturities. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy seeks to limit investments in securities with higher credit risks. The District's investment program is derived from the terms and provisions of the Illinois Compiled Statutes Public Funds Investment Act (30 ILCS 235) which allows investment in instruments of the United States of America or its agencies, money market mutual funds with a minimum AA rating by at least two of the three standard credit rating agencies, public treasurer's investment pool, and commercial paper with one of the three highest classifications by at least two of the three standard credit rating agencies. Commercial paper cannot exceed 180 days in maturity, 10% of the total outstanding paper of the issuing corporation or one-third of the cost of the portfolio.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy seeks to limit investments, with the exception of U.S. Treasury securities, to avoid overconcentration in securities from a specific issuer or business sector.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District's investment policy requires the amount of collateral provided to be at a minimum of 110% of the fair value of the principal and accrued interest.

Firefighters' Pension Fund and Retiree Health Insurance Fund

The Firefighters' Pension Fund and Retiree Health Insurance Fund's investments are subject to the same risks as noted above and are addressed in the investment policies as follows:

Interest rate risk – an investment time horizon of average duration which is not to vary more than +/- 30% of the duration of the Lehman Brothers Intermediate Government Bond Index, thereby allowing the fund to tolerate moderate interim fluctuations in fair value and rates in order to achieve its long-term objectives.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Credit risk – the investment programs of the Firefighters' Pension Fund and the Retiree Health Insurance Fund are derived from the terms and provisions of the Illinois Compiled Statutes Public Funds Investment Act (40 ILCS 5/1-113) which allows investment in instruments of the United States of America or its agencies, savings accounts, certificates of deposit, public treasurer's pool, interest bearing bonds of any county, township or municipal corporation, mutual funds, certain short-term obligations of U.S. corporations, common stocks and general or separate accounts of life insurance companies authorized to transact business in Illinois. Illinois Compiled Statutes (ILCS) require the Firefighters' Pension Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board. During the year, no changes to the investment policy were approved by the Board of Trustees.

Concentration of credit risk – total investments in authorized items of the Firefighters' Pension Fund and Retiree Health Insurance Fund are not allowed to exceed 10% of the portfolio's overall allocation in one single security.

Custodial credit risk – the investment policy of the Retiree Health Insurance Fund requires the amount of collateral provided to be at a minimum of 110% of investments. The investment policy of the Firefighters' Pension Fund does not specifically define custodial credit risk.

The Firefighters' Pension Fund is also subject to foreign currency risk:

Foreign currency risk - the investment policy of the Firefighters' Pension Fund does not specifically define foreign currency risk. At December 31, 2019, the Firefighters' Pension Fund's investment portfolio contained \$1,570,181 of foreign currency-denominated corporate bonds that were rated between AA- and BBB- by Standard & Poor's Ratings, and between Aa2 and Baa3 by Moody's Investors Service and \$136,893 of foreign currency-denominated equities.

B. Fair Value Measurements

The Firefighters' Pension Fund and Retiree Health Insurance Fund categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Firefighters' Pension Fund and Retiree Health Insurance Fund had the following recurring fair value measurements as of December 31, 2019:

Debt issues, other pooled equity investments, other pooled fixed income investments, U.S. government agency obligations, and U.S. Treasury notes - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Equities - Valued at quoted market prices for identical assets in active markets.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Firefighters' Pension Fund and Retiree Health Insurance Fund are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Firefighters' Pension Fund and Retiree Health Insurance Fund are deemed to be actively traded.

Separate account - Valued at NAV of units held, as reported by the manager of the separate account. The NAV is used as a practical expedient, and the estimated fair value is subject to uncertainty and therefore may differ from the value that would have been used had a readily available market for this investment existed, and the difference could be material.

The following table summarizes the investments of the Firefighters' Pension Fund and Retiree Health Insurance Fund for which fair values are determined on a recurring basis as of December 31, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Firefighters' Pension Fund:				
Debt issues:				
Corporate	\$ -	\$ 28,306,098	\$ -	\$ 28,306,098
Foreign	-	1,570,181	-	1,570,181
Municipal	-	2,442,066	-	2,442,066
Equities:				
Domestic	10,223,772	-	-	10,223,772
Foreign	136,893	-	-	136,893
Mutual funds:				
Equities	85,981,620	-	-	85,981,620
U.S. government agency obligations	-	3,525,405	-	3,525,405
U.S. Treasury notes	-	17,220,878	-	17,220,878
	<u>96,342,285</u>	<u>53,064,628</u>	<u>-</u>	<u>149,406,913</u>
Total investments in the fair value hierarchy				
Separate account - measured at net asset value (*)	-	-	-	17,314,340
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,314,340</u>
Total investments at fair value	<u>\$ 96,342,285</u>	<u>\$ 53,064,628</u>	<u>\$ -</u>	<u>\$ 166,721,253</u>

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Retiree Health Insurance Fund:				
Debt issues:				
Corporate	\$ -	\$ 1,112,744	\$ -	\$ 1,112,744
Mutual funds:				
Bonds	1,416,019	-	-	1,416,019
Equities	5,977,247	-	-	5,977,247
Other pooled equity investments	-	416,930	-	416,930
Other pooled fixed income investments	-	243,544	-	243,544
U.S. Treasury note	-	62,251	-	62,251
	<u>\$ 7,393,266</u>	<u>\$ 1,835,469</u>	<u>\$ -</u>	<u>\$ 9,228,735</u>
Total investments at fair value				

* In accordance with GASB 72, the separate account that was measured at NAV per share has not been classified in the fair value hierarchy. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the statement of net position - fiduciary funds.

The Firefighters' Pension Fund's separate account investment is in an open-end, commingled real estate equity account established by Principal Life Insurance Company that invests in a diversified mix of primarily high quality, well-leased real estate properties in the multifamily, industrial, office, retail and hotel sectors. Redemptions are subject to a withdrawal limitation, which was last utilized in 2008.

C. Receivables

The allowance for uncollectible ambulance accounts receivable of \$908,381 is based on previous collection experience.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
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D. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases / Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 410,330	\$ 174,453	\$ -	\$ 584,783
Construction in progress	<u>-</u>	<u>38,335</u>	<u>-</u>	<u>38,335</u>
Total capital assets, not being depreciated	<u>410,330</u>	<u>212,788</u>	<u>-</u>	<u>623,118</u>
Capital assets, being depreciated:				
Buildings and improvements	17,183,198	112,967	-	17,296,165
Apparatus and vehicles	11,156,149	340,712	(2,809,008)	8,687,853
Equipment	<u>2,978,253</u>	<u>878,594</u>	<u>-</u>	<u>3,856,847</u>
Total capital assets, being depreciated	<u>31,317,600</u>	<u>1,332,273</u>	<u>(2,809,008)</u>	<u>29,840,865</u>
Less accumulated depreciation for:				
Buildings and improvements	5,203,723	345,923	-	5,549,646
Apparatus and vehicles	7,108,032	594,774	(2,760,137)	4,942,669
Equipment	<u>2,466,410</u>	<u>283,965</u>	<u>-</u>	<u>2,750,375</u>
Total accumulated depreciation	<u>14,778,165</u>	<u>1,224,662</u>	<u>(2,760,137)</u>	<u>13,242,690</u>
Total capital assets, being depreciated, net	<u>16,539,435</u>	<u>107,611</u>	<u>(48,871)</u>	<u>16,598,175</u>
Governmental activities capital assets, net	<u>\$ 16,949,765</u>	<u>\$ 320,399</u>	<u>\$ (48,871)</u>	<u>\$ 17,221,293</u>

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Fire and rescue	\$ 651,284
Emergency medical service	455,965
General government	<u>117,413</u>
 Total depreciation expense - governmental activities	 <u>\$ 1,224,662</u>

E. Pension and Post-Employment Benefit Obligations

The District maintains the Firefighters' Pension Plan, which covers its qualified sworn employees, and participates in the statewide Illinois Municipal Retirement Fund, which covers substantially all of the remaining qualified District employees. The District also maintains a post-employment benefit plan (Postretirement Health Plan). The information presented in the following notes is the most current information available as of December 31, 2019.

1. Firefighters' Pension Plan

Description of Plan. The Firefighters' Pension Plan is a single-employer defined benefit retirement plan that is administered by the Firefighters' Pension Fund's board of trustees. The Firefighters' Pension Fund's Board of Trustees consists of five members. Two members are appointed by the president of the board of trustees, two members are elected by the active sworn members, and one member is elected by retired and/or disabled participants.

The defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature.

The Firefighters' Pension Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at the Plan's administrative office, located at 9790 West 151st Street, Orland Park, Illinois, 60462.

Benefits Provided. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% 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 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Tier 2 employees (those hired on or after January 1, 2011) 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. Firefighter's salary for pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3% compounded. 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 10 years of service may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually 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 1/2 of the change in the Consumer Price Index for the preceding calendar year.

Plan Membership. At December 31, 2019, the Firefighters' Pension Plan's membership consisted of the following:

Inactive employees currently receiving benefits	69
Inactive employees entitled to but not receiving benefits	1
Active employees	<u>118</u>
 Total	 <u>188</u>

Contributions. Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the Firefighters' Pension Plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the District has until the year 2040 to fund 90% the past service cost for the Firefighters' Pension Plan. For the year ended December 31, 2019, the District's contribution was 17.63% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method - Entry-age normal

Inflation - 2.25%

Salary increases - 4.25% - 32.05%

Investment rate of return - 7.0%, compounded annually, net of pension plan investment expense, including inflation

Asset valuation method - 5-year smoothed market value

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data. Retirement rates were based on 100% of the actuary's 2020 Illinois Firefighters' Retirement Rates capped at age 65, with a 50% rate at 26 years of service. Disability Rates and Termination Rates were based on 100% of the actuary's 2020 Illinois Firefighters' Disability and Termination Rates, respectively.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2019 - December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Firefighters' Pension Plan's target asset allocation as of December 31, 2019 (see the discussion of the Firefighters' Pension Plan's investment policy) are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	32.5 %	7.8 %
Fixed income	35.0	4.3
International equity	17.5	8.0
Real estate	10.0	7.2
Global tactical	5.0	5.9
Total	100.0 %	

Single Discount Rate. A Single Discount Rate of 7.0% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 15.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Changes in the Net Pension Liability. Changes in the District's net pension liability for the year ended December 31, 2019 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	\$ 169,277,017	\$ 151,965,412	\$ 17,311,605
Changes for the year:			
Service cost	3,409,684	-	3,409,684
Interest on the total pension liability	11,641,171	-	11,641,171
Benefit changes	936,148	-	936,148
Differences between expected and actual experience	2,625,940	-	2,625,940
Changes of assumptions	2,112,320	-	2,112,320
Net investment income	-	25,218,371	(25,218,371)
Contributions - employer	-	2,454,844	(2,454,844)
Contributions - employees	-	1,378,605	(1,378,605)
Benefit payments, including refunds of employee contributions	(5,949,137)	(5,949,137)	-
Administrative expense	-	(98,185)	98,185
Net changes	14,776,126	23,004,498	(8,228,372)
Balances at December 31, 2019	\$ 184,053,143	\$ 174,969,910	\$ 9,083,233

The changes of assumptions amount of \$2,112,320 was primarily the result of changes in demographic assumptions based on a study of firefighters and fire pension funds in Illinois, and a change in the assumed rate on high quality 20 year tax-exempt general obligation bonds.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the District, calculated using a Single Discount Rate of 7.0%, as well as what the District's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Lower (6.0%)	Current Discount Rate (7.0%)	1% Higher (8.0%)
District's net pension liability (asset)	\$ 37,349,759	\$ 9,083,233	\$ (13,786,576)

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Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in other locations in this report as the Plan is reported as a fiduciary fund of the District as well as in a separately issued financial report of the Plan.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2019, the District recognized pension expense of \$4,924,908. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,282,679	\$ 2,324,629
Changes of assumptions	3,494,902	-
Net difference between projected and actual earnings on Plan investments	<u>-</u>	<u>4,848,665</u>
Total	<u>\$ 5,777,581</u>	<u>\$ 7,173,294</u>

Amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense in future periods as follows:

2020	\$ (876,759)
2021	(637,453)
2022	904,167
2023	(2,390,458)
2024	587,719
Thereafter	<u>1,017,071</u>
Total	<u>\$ (1,395,713)</u>

2. Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for employees that are not in positions covered by the Firefighters' Pension Plan provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Benefits Provided. IMRF has three benefit plans. The majority of IMRF members participate in the Regular Plan. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). Employees of the District who are eligible to participate in the plan participate in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms. As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>25</u>
 Total	 <u><u>49</u></u>

Contributions. As set by statute, the District's plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual required contribution rate for calendar year 2019 was 7.68%. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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Net Pension Liability. The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine the total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Five-Year Smoothed Market with a 20% Corridor.
- The Wage Inflation Rate was assumed to be 3.25%.
- The Payroll Growth Rate was assumed to be 2.50%
- Projected Salary Increases were expected to be 3.39% to 14.25%.
- The Investment Rate of Return was assumed to be 7.25%.
- For non-disabled retirees, an IMRF specific mortality table was used with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale. The IMRF specific rates were developed using the RP-2014 Disabled Mortality Table with adjustments to match current IMRF experience. For active members, the mortality rates are based on the RP-2014 Employee Mortality Table for both males and females with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale. Among active members, 75% of males and 70% of females were assumed to be married.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37 %	5.75 %
Fixed income	28	3.25
International equities	18	6.50
Alternatives	7	3.60 - 7.60
Real estate	9	5.20
Cash equivalents	1	1.85
Total	100 %	

Single Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flows used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the District's IMRF fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

Changes in the Net Pension Liability. Changes in the District's net pension liability for the year ended December 31, 2019 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at December 31, 2018	\$ 8,552,600	\$ 7,410,831	\$ 1,141,769
Changes for the year:			
Service cost	255,590	-	255,590
Interest on the total pension liability	620,830	-	620,830
Differences between expected and actual experience	334,957	-	334,957
Net investment income	-	1,323,655	(1,323,655)
Contributions - employer	-	197,229	(197,229)
Contributions - employees	-	115,564	(115,564)
Benefit payments, including refunds of employee contributions	(234,437)	(234,437)	-
Other changes	-	(8,011)	8,011
Net changes	<u>976,940</u>	<u>1,394,000</u>	<u>(417,060)</u>
Balances at December 31, 2019	<u>\$ 9,529,540</u>	<u>\$ 8,804,831</u>	<u>\$ 724,709</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the District calculated using a Single Discount Rate of 7.25%, as well as what the net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	<u>1% Lower (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Higher (8.25%)</u>
	District's net pension liability (asset)	\$ 2,107,194	\$ 724,709

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued IMRF financial report.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
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Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2019, the District recognized pension expense of \$381,672. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 456,559	\$ 141,232
Changes of assumptions	212,255	143,724
Net difference between projected and actual earnings on Plan investments	<u>-</u>	<u>298,495</u>
Total	<u>\$ 668,814</u>	<u>\$ 583,451</u>

Amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense in future periods as follows:

2020	\$ 23,581
2021	(45,782)
2022	100,369
2023	(61,223)
2024	57,257
Thereafter	<u>11,161</u>
Total	<u>\$ 85,363</u>

3. Summary of Pension Information

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Pension Plan (FPP) and the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Deferred outflows of resources, liabilities, deferred inflows of resources, and pension expense/expenditures are summarized as follows:

	<u>FPP</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources	\$ 5,777,581	\$ 668,814	\$ 6,446,395
Net pension liability	9,083,233	724,709	9,807,942
Deferred inflows of resources	7,173,294	583,451	7,756,745
Pension expense	4,924,908	381,672	5,306,580
Pension expenditures	2,454,844	197,229	2,652,073

4. Postretirement Health Plan

Plan Description. The District's defined benefit other post-employment benefits (OPEB) plan, Postretirement Health Plan (PHP), provides OPEB for all full-time employees of the District who participate in the Orland Fire Protection District Firefighters' Pension Plan and the Illinois Municipal Retirement Fund (IMRF). PHP is a single-employer defined benefit OPEB plan administered by the District. The benefit terms and financing requirements for IMRF participants are established under the provisions of ILCS Chapter 215, Article 5, Section 367j. The benefits, benefit levels, employee contributions, and employer contributions for Orland Fire Protection District Firefighters' Pension Plan participants are governed by the District and can be amended by the District through its personnel manual and union contracts.

The PHP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at the Plan's administrative office, located at 9790 West 151st Street, Orland Park, Illinois, 60462.

Benefits Provided. PHP provides medical/prescription, dental and life insurance benefits for eligible retirees and spouses/dependents. Two PPO plans, an HMO plan, an HSA plan, and a Medicare Supplement plan are available for retired employees. The benefit terms are summarized as follows:

Retirees- Fire – PSEBA (a person who qualified for benefits under subsections (a) and (b) of Section 10 of Public Safety Employee Benefits Act) who retire prior to January 1, 2018 - pre-65 and post-65 coverage:

The District pays for 100% of the premium regardless of which plan or coverage level is selected. The District continues to pay for 100% of the premium until the Retiree reaches Medicare eligibility. Additionally, if the Retiree is participating in the HSA plan, the District will provide annual seed money at the rate of half the amount provided to Actives until Medicare eligibility. Once Medicare eligible, the Retiree is responsible for 100% of the premium cost. If the Retiree is not Medicare eligible, but their spouse is, the Retiree and the Spouse remain on the HMO, PPO, or HSA plan. The Spouse is not moved to the Medicare Supplement Plan. If the Retiree is Medicare eligible, but their spouse is not, the Retiree must join the Medicare Supplement Plan while the Spouse remains on the HMO, PPO, or HSA plan.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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For Dental, the District pays 50% of the premium until the Retiree reaches Medicare eligibility. For Life Insurance, the Retiree pays the full cost of coverage. These benefits are not covered under PSEBA. Dental and Life Insurance may continue past Medicare eligibility with the Retiree paying full cost.

Retirees- Fire – PSEBA who retire on or after January 1, 2018 - pre-65 and post-65 coverage:

The District pays for 100% of the premium regardless of which plan or coverage level is selected. The District continues to pay for 100% of the premium until the Retiree reaches Medicare eligibility. Additionally, if the Retiree is participating in the HSA plan, the District will provide annual seed money at the rate of 75% the amount provided to Actives until Medicare eligibility. Once Medicare eligible, the Retiree is responsible for 100% of the premium cost. If the Retiree is not Medicare eligible, but their spouse is, the Retiree and the Spouse remain on the HMO, PPO, or HSA plan. The Spouse is not moved to the Medicare Supplement Plan. If the Retiree is Medicare eligible, but their spouse is not, the Retiree must join the Medicare Supplement Plan while the Spouse remains on the HMO, PPO, or HSA plan.

For Dental, the District pays 50% of the premium until the Retiree reaches Medicare eligibility. For Life Insurance, the Retiree pays the full cost of coverage. These benefits are not covered under PSEBA. Dental and Life Insurance may continue past Medicare eligibility with the Retiree paying full cost.

Retirees- Fire - Non-PSEBA who retire prior to January 1, 2018 - pre-65 and post-65 coverage:

The District pays for 50% of the premium regardless of which plan or coverage level is selected. The District continues to pay for 50% of the premium until the Retiree reaches Medicare eligibility. Additionally, if the Retiree is participating in the HSA plan, the District will provide annual seed money at the rate of half the amount provided to Actives until Medicare eligibility. Once Medicare eligible, the Retiree is responsible for 100% of the premium cost. If the Retiree is not Medicare eligible, but their spouse is, the Retiree and the Spouse remain on the HMO, PPO, or HSA plan. The Spouse is not moved to the Medicare Supplement Plan. If the Retiree is Medicare eligible, but their spouse is not, the Retiree must join the Medicare Supplement Plan while the Spouse remains on the HMO, PPO, or HSA plan.

Dental benefits are the same as medical described in the preceding paragraph. For Life Insurance, the Retiree pays the full cost of coverage. Dental and Life Insurance may continue past Medicare eligibility with the Retiree paying full cost.

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Retirees- Fire - Non-PSEBA who retire on or after January 1, 2018 - pre-65 and post-65 coverage:

Should the Retiree elect the HSA plan, the District pays for 50% of the premium regardless of which coverage level is selected until Medicare eligibility. Additionally, the District will provide annual seed money at the rate of 75% the amount provided to Actives until Medicare eligibility. Should the Retiree elect the HMO plan, the District pays for 50% of the premium regardless of which coverage level is selected until Medicare eligibility. Should the Retiree elect the PPO plan, the District pays for 50% of the HSA premium for the equivalent premium level until Medicare eligibility. The Retiree is responsible for the remaining premium cost. Once Medicare eligible, the Retiree is responsible for 100% of the premium cost. If the Retiree is not Medicare eligible, but their spouse is, the Retiree and the Spouse remain on the HMO, PPO, or HSA plan. The Spouse is not moved to the Medicare Supplement Plan. If the Retiree is Medicare eligible, but their spouse is not, the Retiree must join the Medicare Supplement Plan while the Spouse remains on the HMO, PPO, or HSA plan.

Dental benefits are the same as medical described in the preceding paragraph. For Life Insurance, the Retiree pays the full cost of coverage. Dental and Life Insurance may continue past Medicare eligibility with the Retiree paying full cost.

IMRF:

The Retiree is responsible for the full premium cost at no additional charge to the District. If the Retiree is not Medicare eligible, but their spouse is, the Retiree and the Spouse remain on the HMO, PPO, or HSA plan. The Spouse is not moved to the Medicare Supplement Plan. If the Retiree is Medicare eligible, but their spouse is not, the Retiree must join the Medicare Supplement Plan while the Spouse remains on the HMO, PPO, or HSA plan.

For Dental and Life Insurance, the Retiree pays full cost of coverage. Dental and Life Insurance may continue past Medicare eligibility with the Retiree paying full cost.

Plan Membership. As of December 31, 2019, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	68
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>143</u>
Total	<u>211</u>

Contributions. A formal funding policy exists between the District and the PHP. Per the formal funding policy, the District will contribute \$600,000 per year, with future consideration given to funding based upon an actuarially determined contribution. While the formal funding policy was not effective until the year ended December 31, 2018, the District has been following it since the year ended December 31, 2017.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

Net OPEB Liability. The District's net OPEB liability was measured as of December 31, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018, and adjusted to measurement date, based on procedures that conform to generally accepted actuarial principles and practices.

Actuarial Assumptions. The following are the methods and assumptions used to determine the total OPEB liability at December 31, 2019:

- The actuarial cost method used was entry age normal.
- Long-term expected rate of return on Plan assets was expected to be 7.00%.
- Salary increases were expected to be 3.25%.
- Healthcare cost trend rate for non-HSA medical was expected to be (2.80)% initially, increasing to 6.50% in year two, and then reduced by decrements to an ultimate rate of 5.00%.
- Healthcare cost trend rate for HSA medical was expected to be (2.80)% initially, increasing to 6.20% in year two, and then reduced by decrements to an ultimate rate of 4.70%.
- Healthcare cost trend rate for HSA seeding was expected to remain constant at 2.50%.
- Healthcare cost trend rate for Medicare supplement was expected to be 3.90% initially, increasing to 4.50% in year two, and then remaining constant at 4.50%.
- Healthcare cost trend rate for dental was expected to remain constant at 2.00%.
- Retirement rates - 100% of the L&A Assumption Study Cap Age 65 for Firefighters 2020. IMRF 2017 for IMRF employees.
- Termination rates - 100% of the L&A Assumption Study for Firefighters 2020. IMRF 2017 for IMRF employees.
- Mortality rates - Active firefighter mortality follows the sex distinct raw rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 improvement rates. These rates are improved generationally using MP-2019 improvement rates. Retiree firefighter 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 generationally using MP-2019 improvement rates. Disabled firefighter mortality follows the L&A Assumption Study for Disabled Firefighters 2020. These rates are weighted with the sex distinct raw rates as developed in the PubS-2010 Study for Disabled Participants improved to 2017 using MP-2019 improvement rates. These rates are then improved generationally using MP-2019 improvement rates. Firefighter spouse mortality follows the sex distinct raw rates as developed in the PubG-2010(A) Study until age 45 and the PubS-2010(A) Study for contingent survivors for all ages after age 45 improved to 2017 using MP-2019 improvement rates. These rates are then improved generationally using MP-2019 improvement rates. Active, Retiree, and Spousal IMRF mortality follows the sex distinct raw rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 improvement rates.
- Disability rates - 100% of the L&A Assumption Study for Firefighters 2020. IMRF 2017 for IMRF Employees.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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YEAR ENDED DECEMBER 31, 2019

Investment Policy. The Plan's policy in regard to the allocation of invested assets is established by the District's Board of Trustees. It is the policy of the Board to pursue an investment strategy where: (1) investments shall be made solely in the interest of the beneficiaries of the Plan, (2) assets shall be invested with care, skill, prudence and diligence, (3) investment of assets shall be so diversified as to minimize the risk of large losses, (4) one or more investment managers may be employed to attain the objectives of the fund, and (5) cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity and return. The following was the Board's adopted allocation policy as of December 31, 2019:

<u>Asset Class</u>	<u>Portfolio Target Allocation</u>
Equities	70 %
Fixed income	<u>30</u>
Total	<u>100 %</u>

Single Discount Rate. A Single Discount Rate of 3.28% was used to measure the total OPEB liability. The projection of cash flows used to determine this discount rate assumed that the Plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected not to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on Plan assets of 7.00% was blended with the tax-exempt municipal bond rate, based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date, of 2.74% to arrive at a Single Discount Rate of 3.28% used to determine the total OPEB liability.

For the year ended December 31, 2019, the annual money-weighted rate of return on OPEB investments, net of investment expense was 22.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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Changes in the Net OPEB Liability. Changes in the District's net OPEB liability for the year ended December 31, 2019 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2018	\$ 24,725,282	\$ 7,254,424	\$ 17,470,858
Changes for the year:			
Service cost	781,356	-	781,356
Interest on the total OPEB liability	1,055,873	-	1,055,873
Differences between expected and actual experience	1,382,901	-	1,382,901
Changes of assumptions	729,168	-	729,168
Contributions - employer	-	2,282,614	(2,282,614)
Net investment income	-	1,660,634	(1,660,634)
Benefit payments	(1,518,234)	(1,518,234)	-
Administrative expense	-	(4,200)	4,200
Net changes	<u>2,431,064</u>	<u>2,420,814</u>	<u>10,250</u>
Balances at December 31, 2019	<u>\$ 27,156,346</u>	<u>\$ 9,675,238</u>	<u>\$ 17,481,108</u>

The changes of assumptions amount of \$729,168 was primarily the result of the changes in the discount rate, changes in demographic assumptions based on a study of firefighters and fire pension funds in Illinois, and a change in the assumed rate on high quality 20 year tax-exempt general obligation bonds.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current discount rate:

	1% Lower (2.28%)	Current Discount Rate (3.28%)	1% Higher (4.28%)
District's net OPEB liability	<u>\$ 19,958,038</u>	<u>\$ 17,481,108</u>	<u>\$ 15,244,180</u>

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Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1% Lower (Varies)</u>	<u>Current Healthcare Cost Trend Rates (Varies)</u>	<u>1% Higher (Varies)</u>
District's net OPEB liability	\$ 14,847,668	\$ 17,481,108	\$ 20,516,174

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in other locations in this report as the Plan is reported as a fiduciary fund of the District as well as in a separately issued financial report of the Plan.

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2019, the District recognized OPEB expense of \$906,422.

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

<u>Deferred Amounts Related to Other Postemployment Benefits</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,237,214	\$ -
Changes of assumptions	653,054	9,387,228
Net difference between projected and actual earnings on Plan investments	<u>-</u>	<u>215,634</u>
Total	<u>\$ 6,890,268</u>	<u>\$ 9,602,862</u>

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

2020	\$ (400,591)
2021	(400,591)
2022	(400,595)
2023	(629,037)
2024	(403,795)
Thereafter	<u>(477,985)</u>
Total	<u>\$ (2,712,594)</u>

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

F. Interfund Receivables and Payables

Individual interfund receivable and payable balances at December 31, 2019 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,041,391
Ambulance Fund	General Fund	<u>4,605,514</u>
Total		<u>\$ 5,646,905</u>

The outstanding balances between funds result mainly from the time lag between the dates that monies are received by the individual funds and the expenditure of funds. The repayment of the balances is expected to be funded by transfers from other funds.

G. Interfund Transfers

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
Capital Projects Fund	Ambulance Fund	<u>\$ 900,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them in accordance with budgetary authorizations.

H. Long-term Liabilities

Long-term liability activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes payable	\$ 761,401	\$ 350,000	\$ (74,977)	\$ 1,036,424	\$ 112,164
Debt certificates:					
General obligation debt certificates	23,290,000	-	(860,000)	22,430,000	965,000
Issuance discount	(217,598)	-	15,488	(202,110)	-
Installment contract payable	596,704	-	(122,608)	474,096	126,470
Compensated absences	1,742,957	871,997	(908,311)	1,706,643	694,113
Net pension liabilities:					
Firefighters' Pension Fund	17,311,605	4,924,908	(13,153,280)	9,083,233	-
Illinois Municipal Retirement Fund	1,141,769	381,672	(798,732)	724,709	-
Other post-employment benefits liability	<u>17,470,858</u>	<u>906,422</u>	<u>(896,172)</u>	<u>17,481,108</u>	<u>-</u>
Total	<u>\$ 62,097,696</u>	<u>\$ 7,434,999</u>	<u>\$ (16,798,592)</u>	<u>\$ 52,734,103</u>	<u>\$ 1,897,747</u>

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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The debt service of the notes payable and the installment contract will be made by the Capital Projects Fund with funds transferred in from the General Fund and the Ambulance Fund. The debt service of the other long-term liabilities will generally be from the General Fund.

The schedules of the long-term debt outstanding at December 31, 2019 are as follows:

Notes Payable

The District has a note payable to a bank due that is due in annual installments of \$97,771, including interest at 2.95%. The proceeds of the note were used to purchase a new fire truck, in which the bank holds a security interest. Payments under the payable are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 77,164	\$ 20,607	\$ 97,771
2021	79,531	18,240	97,771
2022	81,913	15,858	97,771
2023	84,364	13,407	97,771
2024	86,860	10,911	97,771
2025	89,491	8,280	97,771
2026	92,171	5,600	97,771
2027	<u>94,930</u>	<u>2,841</u>	<u>97,771</u>
Total	<u>\$ 686,424</u>	<u>\$ 95,744</u>	<u>\$ 782,168</u>

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
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The District has a note payable to the Illinois Finance Authority that is due in annual installments of \$35,000, plus interest at 1.89%. The proceeds of the revolving note will be used to purchase a new fire truck, in which the Illinois Finance Authority holds a security interest. Payments under the payable are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 35,000	\$ 6,615	\$ 41,615
2021	35,000	5,953	40,953
2022	35,000	5,292	40,292
2023	35,000	4,630	39,630
2024	35,000	3,969	38,969
2025	35,000	3,308	38,308
2026	35,000	2,646	37,646
2027	35,000	1,985	36,985
2028	35,000	1,323	36,323
2029	<u>35,000</u>	<u>662</u>	<u>35,662</u>
Total	<u>\$ 350,000</u>	<u>\$ 36,383</u>	<u>\$ 386,383</u>

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General Obligation Debt Certificates

General obligation debt certificates, which were used to prepay pension and other postemployment benefit obligations, are direct obligations and pledge the full faith and credit of the District.

Principal due each year	December 15th
Interest dates	December 15th and June 15th
Interest rates	1.00% - 4.95%
Paying agent	The Bank of New York Mellon Trust Co. Chicago, Illinois
Total original issue	\$26,715,000

<u>Year Ending December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 965,000	\$ 973,759	\$ 1,938,759
2021	1,070,000	944,328	2,014,328
2022	1,185,000	909,018	2,094,018
2023	1,305,000	867,543	2,172,543
2024	1,430,000	819,910	2,249,910
2025	1,555,000	766,285	2,321,285
2026	1,685,000	707,973	2,392,973
2027	1,820,000	640,573	2,460,573
2028	1,960,000	565,043	2,525,043
2029	2,120,000	468,023	2,588,023
2030	2,280,000	363,083	2,643,083
2031	2,445,000	250,223	2,695,223
2032	<u>2,610,000</u>	<u>129,195</u>	<u>2,739,195</u>
Total	<u>\$ 22,430,000</u>	<u>\$ 8,404,956</u>	<u>\$ 30,834,956</u>

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

Installment Contract

The District entered into an installment contract for two Pierce Impel pumps. Payments under the contract, including interest at 3.15%, are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 126,470	\$ 14,931	\$ 141,401
2021	<u>347,626</u>	<u>930</u>	<u>348,556</u>
Total	<u>\$ 474,096</u>	<u>\$ 15,861</u>	<u>\$ 489,957</u>

The annual requirements to amortize all outstanding debt as of December 31, 2019 are as follows:

<u>Year Ending December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 1,203,634	\$ 1,015,912	\$ 2,219,546
2021	1,532,157	969,451	2,501,608
2022	1,301,913	930,168	2,232,081
2023	1,424,364	885,580	2,309,944
2024	1,551,860	834,790	2,386,650
2025	1,679,491	777,873	2,457,364
2026	1,812,171	716,219	2,528,390
2027	1,949,930	645,399	2,595,329
2028	1,995,000	566,366	2,561,366
2029	2,155,000	468,685	2,623,685
2030	2,280,000	363,083	2,643,083
2031	2,445,000	250,223	2,695,223
2032	<u>2,610,000</u>	<u>129,195</u>	<u>2,739,195</u>
Total	<u>\$ 23,940,520</u>	<u>\$ 8,552,944</u>	<u>\$ 32,493,464</u>

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

The legal debt margin of the District as of December 31, 2019 is determined as follows:

Assessed valuation - 2018 tax year (most current valuation available)	<u>\$ 2,492,376,691</u>
Statutory debt limitation (5.75% of assessed valuation)	\$ 143,311,660
Total debt outstanding, net of unamortized issuance discount of \$202,110	<u>23,738,410</u>
Legal debt margin	<u>\$ 119,573,250</u>

I. Fund Balances

As of December 31, 2019, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid items	<u>\$ 338,215</u>	<u>\$ 166,738</u>	<u>\$ -</u>	<u>\$ 504,953</u>
Restricted:				
Emergency rescue	547,314	-	-	547,314
Tort immunity	1,916,441	-	-	1,916,441
Other purposes	<u>442,401</u>	<u>12,587</u>	<u>-</u>	<u>454,988</u>
Total restricted	<u>2,906,156</u>	<u>12,587</u>	<u>-</u>	<u>2,918,743</u>
Assigned:				
Capital projects	-	-	1,144,321	1,144,321
Emergency medical service	-	7,101,920	-	7,101,920
Emergency rescue	396,317	-	-	396,317
General government	58,013	-	-	58,013
Tort immunity	<u>336,493</u>	<u>-</u>	<u>-</u>	<u>336,493</u>
Total assigned	<u>790,823</u>	<u>7,101,920</u>	<u>1,144,321</u>	<u>9,037,064</u>
Unassigned	<u>5,914,977</u>	<u>-</u>	<u>-</u>	<u>5,914,977</u>
Total	<u>\$ 9,950,171</u>	<u>\$ 7,281,245</u>	<u>\$ 1,144,321</u>	<u>\$ 18,375,737</u>

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

J. Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, Ambulance Fund, and Capital Projects Fund. At December 31, 2019, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:
	<u>Assigned Fund Balance</u>
General Fund	\$ 94,094
Ambulance Fund	129,961
Capital Projects Fund	<u>429,994</u>
Total	<u>\$ 654,049</u>

K. 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; injury to employees; employee medical coverage; and natural disasters. In order to protect against such losses, the District has purchased insurance from private insurance companies and has also joined the Illinois Counties Risk Management Trust Fund. The fund currently operates as a common risk management and insurance program entity in the state of Illinois. The District pays annual premiums to the fund for its general insurance coverage. The agreement for formation of the fund provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for losses in excess of various limits established for each type of coverage. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in the current year or any of the past three years.

L. Tort Immunity Expenditures

Tort immunity expenditures for the year ended December 31, 2019 are summarized as follows:

Property and liability insurance	\$ 1,120,878
Risk management personnel costs	1,382,202
Professional services	9,993
Other	<u>87,940</u>
Total	<u>\$ 2,601,013</u>

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

M. Labor Concentrations

The sworn personnel of the District are covered by a collective bargaining agreement that expires on December 31, 2020.

Certain non-sworn personnel of the District are covered by a collective bargaining agreement that expires on December 31, 2020.

N. Contingent Liabilities

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

The District is an intervenor in approximately 80 appeals before the Property Tax Appeal Board filed by property taxpayers within the District's boundaries. If the District is unsuccessful in defending the assessed valuations of the properties, it would have to refund property taxes based on the difference in assessed value for the period that the taxpayer's challenge is granted through. The outcome of these challenges to the assessed valuations of properties within the District is not presently determinable.

P. Subsequent Events

Management has evaluated subsequent events through June 12, 2020, which is the date the financial statements were available to be issued.

On March 13, 2020, a national emergency concerning the novel coronavirus (COVID-19) outbreak was declared. Operationally, the command staff has had a series of meetings every day to direct the operation of the District to care for transported residents and for District paramedics. The District immediately implemented a spending freeze on discretionary expenses. The District has filed a Request for Public Assistance with FEMA for reimbursement of expenses related to the COVID-19 pandemic. With the pandemic occurring in March and after the property tax due date, the District will continue to closely monitor revenue and expenditure projections for the year and adjust budgets as necessary.

On April 28, 2020, the District issued \$5,315,000 of General Obligation Debt Certificates (Limited Tax), Series 2020. The proceeds will be used to purchase a new fire truck and for the construction of a new maintenance facility.

**EMPLOYEE RETIREMENT AND POSTEMPLOYMENT
BENEFIT PLAN INFORMATION**

FIREFIGHTERS' PENSION FUND

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
FIREFIGHTERS' PENSION PLAN
LAST TEN CALENDAR YEARS
(SCHEDULES TO BE BUILT PROSPECTIVELY)**

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 3,409,684	\$ 3,423,017	\$ 3,530,934	\$ 3,299,938	\$ 3,587,191	\$ 4,557,023
Interest on the total pension liability	11,641,171	11,017,647	10,383,721	9,776,829	9,215,633	8,401,468
Benefit changes	936,148	-	-	-	-	-
Differences between expected and actual experience	2,625,940	(59,349)	(227,815)	(929,789)	(4,397,221)	2,655,010
Changes of assumptions	2,112,320	-	-	653,006	3,493,606	1,448,254
Benefit payments, including refunds of employee contributions	<u>(5,949,137)</u>	<u>(4,998,523)</u>	<u>(4,262,980)</u>	<u>(3,997,213)</u>	<u>(3,766,976)</u>	<u>(2,571,284)</u>
Net change in total pension liability	14,776,126	9,382,792	9,423,860	8,802,771	8,132,233	14,490,471
Total pension liability at beginning of year	<u>169,277,017</u>	<u>159,894,225</u>	<u>150,470,365</u>	<u>141,667,594</u>	<u>133,535,361</u>	<u>119,044,890</u>
Total pension liability at end of year	<u>\$ 184,053,143</u>	<u>\$ 169,277,017</u>	<u>\$ 159,894,225</u>	<u>\$ 150,470,365</u>	<u>\$ 141,667,594</u>	<u>\$ 133,535,361</u>
Plan fiduciary net position:						
Contributions - employer	\$ 2,454,844	\$ 2,645,820	\$ 2,863,555	\$ 2,836,620	\$ 3,293,073	\$ 3,386,334
Contributions - employees	1,337,527	1,282,283	1,223,282	1,181,649	1,150,791	1,214,057
Other	41,078	599	-	3,912	-	50
Net investment income	25,218,371	(5,908,641)	17,618,172	10,391,898	810,920	7,571,094
Benefit payments, including refunds of employee contributions	(5,949,137)	(4,998,523)	(4,262,980)	(3,997,213)	(3,766,976)	(2,571,284)
Administrative expense	<u>(98,185)</u>	<u>(102,275)</u>	<u>(112,531)</u>	<u>(100,280)</u>	<u>(84,706)</u>	<u>(98,752)</u>
Net change in plan fiduciary net position	23,004,498	(7,080,737)	17,329,498	10,316,586	1,403,102	9,501,499
Plan fiduciary net position at beginning of year	<u>151,965,412</u>	<u>159,046,149</u>	<u>141,716,651</u>	<u>131,400,063</u>	<u>129,996,961</u>	<u>120,495,462</u>
Plan fiduciary net position at end of year	<u>\$ 174,969,910</u>	<u>\$ 151,965,412</u>	<u>\$ 159,046,149</u>	<u>\$ 141,716,651</u>	<u>\$ 131,400,063</u>	<u>\$ 129,996,961</u>
District's net pension liability at end of year	<u>\$ 9,083,233</u>	<u>\$ 17,311,605</u>	<u>\$ 848,076</u>	<u>\$ 8,753,714</u>	<u>\$ 10,267,531</u>	<u>\$ 3,538,400</u>
Plan fiduciary net position as a percentage of total pension liability	<u>95.06 %</u>	<u>89.77 %</u>	<u>99.47 %</u>	<u>94.18 %</u>	<u>92.75 %</u>	<u>97.35 %</u>
Covered payroll	<u>\$ 13,921,254</u>	<u>\$ 13,339,374</u>	<u>\$ 12,726,064</u>	<u>\$ 12,325,486</u>	<u>\$ 12,277,252</u>	<u>\$ 11,338,333</u>
District's net pension liability as a percentage of covered payroll	<u>65.25 %</u>	<u>129.78 %</u>	<u>6.66 %</u>	<u>71.02 %</u>	<u>83.63 %</u>	<u>31.21 %</u>

Notes to Schedule of Changes in the District's Net Pension Liability

The information in the schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

Changes of Assumptions. The change of assumptions amount of \$2,112,320 in 2019 was primarily the result of changes in demographic assumptions based on a study of firefighters and fire pension funds in Illinois, and a change in the assumed rate on high quality 20 year tax-exempt general obligation bonds. The change of assumptions amounts of \$653,006 in 2016 and \$3,493,606 in 2015 were primarily the result of changes in demographic assumptions based on a study of firefighters and fire pension funds in Illinois. The change in assumptions amount of \$1,448,254 in 2014 was primarily the result of using the entry age cost method. In 2013, the projected unit credit cost method had been used for the actuarial valuation.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
FIREFIGHTERS' PENSION PLAN
LAST TEN CALENDAR YEARS
(SCHEDULES TO BE BUILT PROSPECTIVELY)**

SCHEDULE OF DISTRICT CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,454,844	\$ 2,645,820	\$ 2,863,555	\$ 2,719,249	\$ 3,293,073	\$ 3,386,334
Contributions in relation to the actuarially determined contribution	<u>2,454,844</u>	<u>2,645,820</u>	<u>2,863,555</u>	<u>2,828,543</u>	<u>3,293,073</u>	<u>3,386,334</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109,294)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 13,921,254</u>	<u>\$ 13,339,374</u>	<u>\$ 12,726,064</u>	<u>\$ 12,325,486</u>	<u>\$ 12,277,252</u>	<u>\$ 11,338,333</u>
Contributions as a percentage of covered payroll	<u>17.63 %</u>	<u>19.83 %</u>	<u>22.50 %</u>	<u>22.95 %</u>	<u>26.82 %</u>	<u>29.87 %</u>

Notes to Schedule of District Contributions

The information in the schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

Valuation Date. Actuarially determined contributions are from the January 1, 2018 actuarial report.

Methods and Assumptions used to Determine Contribution Rates.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll (closed)
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market value
Inflation	2.50%
Salary increases	4.5% - 32.3%
Investment rate of return	7.0%, compounded annually, net of pension plan investment expense, including inflation
Retirement age	Based on the assumption study prepared by Lauterbach & Amen, LLP in 2016 capped at age 65
Mortality	RP-2014 adjusted for plan status, collar, and Illinois public pension data, as appropriate

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY)**

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

	2019	2018	2017		2016	2015	2014
Total pension liability:							
Service cost	\$ 255,590	\$ 231,066	\$ 225,691		\$ 230,787	\$ 224,261	\$ 221,978
Interest on the total pension liability	620,830	578,645	542,305		523,546	464,765	391,555
Differences between expected and actual experience	334,957	(32,031)	200,432		(331,605)	241,876	302,650
Changes of assumptions	-	289,176	(277,132)		(10,631)	10,077	217,586
Benefit payments, including refunds of employee contributions	<u>(234,437)</u>	<u>(227,972)</u>	<u>(190,936)</u>		<u>(146,570)</u>	<u>(155,769)</u>	<u>(161,790)</u>
Net change in total pension liability	976,940	838,884	500,360		265,527	785,210	971,979
Total pension liability at beginning of year	<u>8,552,600</u>	<u>7,713,716</u>	<u>7,213,356</u>		<u>6,947,829</u>	<u>6,162,619</u>	<u>5,190,640</u>
Total pension liability at end of year	<u>\$ 9,529,540</u>	<u>\$ 8,552,600</u>	<u>\$ 7,713,716</u>		<u>\$ 7,213,356</u>	<u>\$ 6,947,829</u>	<u>\$ 6,162,619</u>
Plan fiduciary net position:							
Contributions - employer	\$ 197,229	\$ 225,969	\$ 223,567		\$ 173,065	\$ 166,856	\$ 161,479
Contributions - employees	115,564	114,753	101,048		92,824	95,217	87,658
Net investment income	1,323,655	(360,306)	1,090,995		428,716	31,812	357,612
Benefit payments, including refunds of employee contributions	(234,437)	(227,972)	(190,936)		(146,570)	(155,769)	(161,790)
Other	<u>(8,011)</u>	<u>1,548</u>	<u>(41,219)</u>		<u>(269,892)</u>	<u>(252,130)</u>	<u>45,482</u>
Net change in plan fiduciary net position	1,394,000	(246,008)	1,183,455		278,143	(114,014)	490,441
Plan fiduciary net position at beginning of year	<u>7,410,831</u>	<u>7,656,839</u>	<u>6,473,384</u>		<u>6,195,241</u>	<u>6,309,255</u>	<u>5,818,814</u>
Plan fiduciary net position at end of year	<u>\$ 8,804,831</u>	<u>\$ 7,410,831</u>	<u>\$ 7,656,839</u>		<u>\$ 6,473,384</u>	<u>\$ 6,195,241</u>	<u>\$ 6,309,255</u>
District's net pension liability at end of year	<u>\$ 724,709</u>	<u>\$ 1,141,769</u>	<u>\$ 56,877</u>		<u>\$ 739,972</u>	<u>\$ 752,588</u>	<u>\$ (146,636)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>92.40 %</u>	<u>86.65 %</u>	<u>99.26 %</u>		<u>89.74 %</u>	<u>89.17 %</u>	<u>102.38 %</u>
Covered payroll	<u>\$ 2,568,094</u>	<u>\$ 2,398,818</u>	<u>\$ 2,245,514</u>		<u>\$ 2,062,750</u>	<u>\$ 2,096,190</u>	<u>\$ 1,986,611</u>
District's net pension liability as a percentage of covered payroll	<u>28.22 %</u>	<u>47.60 %</u>	<u>2.53 %</u>		<u>35.87 %</u>	<u>35.90 %</u>	<u>(7.38)%</u>

Note to schedule:

The information in the schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY)**

SCHEDULE OF DISTRICT CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>		<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 197,229	\$ 225,969	\$ 214,222		\$ 173,065	\$ 166,856	\$ 159,922
Contributions in relation to the actuarially determined contribution	<u>197,229</u>	<u>225,969</u>	<u>223,567</u>		<u>173,065</u>	<u>166,856</u>	<u>161,479</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,345)</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,557)</u>
Covered payroll	<u>\$ 2,568,094</u>	<u>\$ 2,398,818</u>	<u>\$ 2,245,514</u>		<u>\$ 2,062,750</u>	<u>\$ 2,096,190</u>	<u>\$ 1,986,611</u>
Contributions as a percentage of covered payroll	<u>7.68 %</u>	<u>9.42 %</u>	<u>9.96 %</u>		<u>8.39 %</u>	<u>7.96 %</u>	<u>8.13 %</u>

Note to schedule:

The information in the schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED
IN THE CALCULATION OF THE CONTRIBUTION RATE**

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

Methods and Assumptions used to Determine Contribution Rates.

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Amortization period	23-years closed period
Asset valuation method	Five-year smoothed market-related with a 20% corridor
Investment rate of return	7.25%
Projected salary increases	3.39% to 14.25%
Assumed wage inflation rate	3.25%
Assumed payroll growth rate	2.50%
Post-retirement increase	Tier 1 - 3.0% - simple; Tier 2 - 3.0% - simple or 1/2 increase in CPI, whichever is less

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY)**

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale. The IMRF specific rates were developed using the RP-2014 Disabled Mortality Table with adjustments to match current IMRF experience. For active members, the mortality rates are based on the RP-2014 Employee Mortality Table for both males and females with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale. Among active members, 75% of males and 70% of females were assumed to be married.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
POSTRETIREMENT HEALTH PLAN
LAST TEN CALENDAR YEARS
(SCHEDULES TO BE BUILT PROSPECTIVELY)**

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 781,356	\$ 1,193,140	\$ 1,151,013
Interest on the total OPEB liability	1,055,873	1,121,416	1,126,873
Difference between expected and actual experience	1,382,901	6,420,764	-
Changes of assumptions	729,168	(12,057,850)	-
Changes in benefit terms	-	(1,891,516)	-
Benefit payments	<u>(1,518,234)</u>	<u>(1,284,124)</u>	<u>(1,228,880)</u>
Net change in total OPEB liability	2,431,064	(6,498,170)	1,049,006
Total OPEB liability at beginning of year	<u>24,725,282</u>	<u>31,223,452</u>	<u>30,174,446</u>
Total OPEB liability at end of year	<u>\$ 27,156,346</u>	<u>\$ 24,725,282</u>	<u>\$ 31,223,452</u>
Plan fiduciary net position:			
Contributions - employer	\$ 2,282,614	\$ 1,142,531	\$ 1,014,494
Net investment income	1,660,634	(588,159)	775,779
Benefit payments	(1,518,234)	(1,284,124)	(1,228,880)
Administrative expense	<u>(4,200)</u>	<u>(4,000)</u>	<u>(1,400)</u>
Net change in plan fiduciary net position	2,420,814	(733,752)	559,993
Plan fiduciary net position at beginning of year	<u>7,254,424</u>	<u>7,988,176</u>	<u>7,428,183</u>
Plan fiduciary net position at end of year	<u>\$ 9,675,238</u>	<u>\$ 7,254,424</u>	<u>\$ 7,988,176</u>
Net OPEB liability at end of year	<u>\$ 17,481,108</u>	<u>\$ 17,470,858</u>	<u>\$ 23,235,276</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>35.63 %</u>	<u>29.34 %</u>	<u>25.58 %</u>
Covered payroll	<u>\$ 13,921,254</u>	<u>\$ 15,473,099</u>	<u>\$ 17,339,466</u>
Net OPEB liability as a percentage of covered payroll	<u>125.57 %</u>	<u>112.91 %</u>	<u>133.54 %</u>

Notes to Schedule:

Changes of Assumptions. The change of assumptions amount of \$729,168 in 2019 was primarily the result of changes in the discount rate, changes in demographic assumptions based on a study of firefighters and fire pension funds in Illinois, and a change in the assumed rate on high quality 20 year tax-exempt general obligation bonds. The change of assumptions amount of \$(12,057,850) in 2018 was primarily the result of changes in in the discount rate, trend rates, plan election, and post-65 coverage.

The information in the schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION -
 POSTRETIREMENT HEALTH PLAN
 LAST TEN CALENDAR YEARS
 (SCHEDULES TO BE BUILT PROSPECTIVELY)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,913,745	\$ 1,913,745	\$ 1,313,054
Contributions in relation to the actuarially determined contribution	<u>1,500,010</u>	<u>600,101</u>	<u>600,000</u>
Contribution deficiency	<u>\$ 413,735</u>	<u>\$ 1,313,644</u>	<u>\$ 713,054</u>
Covered payroll	<u>\$ 13,921,254</u>	<u>\$ 15,473,099</u>	<u>\$ 17,399,466</u>
Contributions as a percentage of covered payroll	<u>10.77 %</u>	<u>3.88 %</u>	<u>3.45 %</u>

Notes to Schedule:

The information in the schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial cost method	Entry age normal
Amortization method	Straight-line
Remaining amortization period	Actuarial experience - 9.58 years Changes of assumptions - 9.58 years Asset experience - 5.00 years
Asset valuation method	Market value
Salary increases	3.25%
Healthcare cost trend rates	Non-HSA medical was expected to be (2.80)% initially, increasing to 6.50% in year two, and then reduced by decrements to an ultimate rate of 5.00%. HSA medical was expected to be (2.80)% initially, increasing to 6.20% in year two, and then reduced by decrements to an ultimate rate of 4.70%.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION -
 POSTRETIREMENT HEALTH PLAN
 LAST TEN CALENDAR YEARS
 (SCHEDULES TO BE BUILT PROSPECTIVELY)**

HSA seeding was expected to remain constant at 2.50%.

Medicare supplement was expected to be 3.90% initially, increasing to 4.50% in year two, and then remaining constant at 4.50%.

Dental was expected to remain constant at 2.00%.

Investment rate of return	7.00%, net of investment expense
Retirement age	100% of the L&A Assumption Study Cap Age 65 for Firefighters 2020. IMRF 2017 for IMRF employees.
Termination	100% of the L&A Assumption Study for Firefighters 2020. IMRF 2017 for IMRF employees.
Mortality	Active firefighter mortality follows the sex distinct raw rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 improvement rates. These rates are improved generationally using MP-2019 improvement rates. Retiree firefighter 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 generationally using MP-2019 improvement rates. Disabled firefighter mortality follows the L&A Assumption Study for Disabled 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 improvements rates. These rates are then improved generationally using MP-2019 improvement rates. Firefighter spouse mortality follows the sex distinct raw rates as developed in the PubG-2010 Study until age 45 and the PubS-2010(A) Study for contingent survivors for all ages after age 45 improved to 2017 using MP-2019 improvements rates. These rates are then improved generationally using MP-2019 improvement rates. Active, Retiree, and Spousal IMRF mortality follows the sex distinct raw rates as developed in the RP-2014 Study, with blue collar adjustment. These rates are then improved generationally using MP-2016 improvement rates.
Disability rates	100% of the L&A Assumption Study for Firefighters 2020. IMRF 2017 for IMRF employees.

See independent auditor's report.

**COMBINING AND INDIVIDUAL FUND AND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
COMBINING SCHEDULE OF GENERAL FUND
BALANCE SHEET ACCOUNTS
DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency Rescue</u>	<u>Eliminations</u>	<u>Totals</u>	
					<u>2019</u>	<u>2018</u>
ASSETS						
Cash and investments	\$ 12,881,913	\$ -	\$ -	\$ -	\$ 12,881,913	\$ 12,876,431
Receivables:						
Property taxes	16,093,841	2,911,975	2,093,619	-	21,099,435	20,564,321
Accounts	880,955	-	-	-	880,955	893,634
Due from other funds	1,041,391	2,429,562	1,003,608	(3,433,170)	1,041,391	936,779
Due from fiduciary fund	18,027	-	-	-	18,027	6,644
Prepaid items	184,260	127,158	26,797	-	338,215	598,802
Total assets	\$ 31,100,387	\$ 5,468,695	\$ 3,124,024	\$ (3,433,170)	\$ 36,259,936	\$ 35,876,611
LIABILITIES						
Accounts payable	\$ 101,843	\$ 17,332	\$ 17,616	\$ -	\$ 136,791	\$ 160,684
Accrued expenditures	351,444	56,873	56,873	-	465,190	455,390
Unearned revenue	4,215	-	-	-	4,215	29,176
Due to other funds	8,038,684	-	-	(3,433,170)	4,605,514	5,344,156
Total liabilities	8,496,186	74,205	74,489	(3,433,170)	5,211,710	5,989,406
DEFERRED INFLOWS OF RESOURCES						
Property taxes levied for future period	16,067,952	2,907,300	2,079,107	-	21,054,359	20,560,084
Unavailable revenue - grant proceeds	43,696	-	-	-	43,696	273,573
Total deferred inflows of resources	16,111,648	2,907,300	2,079,107	-	21,098,055	20,833,657

See independent auditor's report.

FUND BALANCES	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency Rescue</u>	<u>Eliminations</u>	<u>Totals</u>	
					<u>2019</u>	<u>2018</u>
Nonspendable	184,260	127,158	26,797	-	338,215	598,802
Restricted	335,303	2,023,539	547,314	-	2,906,156	2,648,214
Assigned	58,013	336,493	396,317	-	790,823	594,949
Unassigned	<u>5,914,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,914,977</u>	<u>5,211,583</u>
Total fund balances	<u>6,492,553</u>	<u>2,487,190</u>	<u>970,428</u>	<u>-</u>	<u>9,950,171</u>	<u>9,053,548</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,100,387</u>	<u>\$ 5,468,695</u>	<u>\$ 3,124,024</u>	<u>\$ (3,433,170)</u>	<u>\$ 36,259,936</u>	<u>\$ 35,876,611</u>

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
COMBINING SCHEDULE OF GENERAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency Rescue</u>	<u>Totals</u>	
				<u>2019</u>	<u>2018</u>
Revenues:					
Property taxes	\$ 15,509,138	\$ 2,835,359	\$ 1,961,683	\$ 20,306,180	\$ 19,510,158
Charges for service	449,779	2,049	129,468	581,296	544,202
Grant proceeds	2,121,593	32,762	-	2,154,355	806,092
Investment income	15,814	-	6,777	22,591	24,183
Personal property replacement taxes	10,502	-	4,501	15,003	13,496
Other	130,197	28,989	2,517	161,703	189,446
	<u>18,237,023</u>	<u>2,899,159</u>	<u>2,104,946</u>	<u>23,241,128</u>	<u>21,087,577</u>
Total revenues					
Expenditures:					
Current:					
Personnel:					
Compensation and salaries	8,450,831	1,350,158	1,483,701	11,284,690	10,705,647
Payroll taxes	166,612	9,713	47,120	223,445	212,363
Education and seminars	827,020	5,612	8,209	840,841	622,148
Health and life insurance	1,985,439	16,719	294,497	2,296,655	2,145,751
Pension contribution	2,454,844	-	-	2,454,844	2,645,820
Commodities:					
Heat, light and power	48,367	-	20,552	68,919	68,154
Operational supplies	311,067	66,163	59,034	436,264	418,410
Postage and printing	1,042	-	-	1,042	637
Protective clothing	76,573	11,774	11,744	100,091	121,419
Repairs and maintenance	144,035	18,367	63,496	225,898	156,380
Telephone	12,052	-	5,165	17,217	24,938
Contractual:					
Facility charge	94,980	-	-	94,980	89,189
Insurance	-	1,120,878	-	1,120,878	1,069,546
Professional services	253,028	9,993	62,925	325,946	458,387
Other	96,236	-	13,374	109,610	95,505
Debt service:					
Principal	860,000	-	-	860,000	765,000
Interest	997,410	-	-	997,410	1,016,153
Capital outlay	885,775	-	-	885,775	215,068
	<u>17,665,311</u>	<u>2,609,377</u>	<u>2,069,817</u>	<u>22,344,505</u>	<u>20,830,515</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures					
	<u>571,712</u>	<u>289,782</u>	<u>35,129</u>	<u>896,623</u>	<u>257,062</u>

See independent auditor's report.

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Emergency Rescue</u>	<u>Totals</u>	
				<u>2019</u>	<u>2018</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	-	3,457
Transfers out	-	-	-	-	(300,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-	(296,543)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	571,712	289,782	35,129	896,623	(39,481)
Fund balances at beginning of year	<u>5,920,841</u>	<u>2,197,408</u>	<u>935,299</u>	<u>9,053,548</u>	<u>9,093,029</u>
Fund balances at end of year	<u>\$ 6,492,553</u>	<u>\$ 2,487,190</u>	<u>\$ 970,428</u>	<u>\$ 9,950,171</u>	<u>\$ 9,053,548</u>

CORPORATE FUND

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
CORPORATE FUND
BALANCE SHEET
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018**

ASSETS	<u>2019</u>	<u>2018</u>
Cash and investments	\$ 12,881,913	\$ 12,876,431
Receivables:		
Property taxes	16,093,841	15,728,152
Accounts	880,955	893,634
Due from other funds	1,041,391	936,779
Due from fiduciary fund	18,027	6,644
Prepaid items	<u>184,260</u>	<u>356,069</u>
 Total assets	 <u>\$ 31,100,387</u>	 <u>\$ 30,797,709</u>
LIABILITIES		
Accounts payable	\$ 101,843	\$ 116,454
Accrued expenditures	351,444	349,132
Unearned revenue	4,215	29,176
Due to other funds	<u>8,038,684</u>	<u>8,381,114</u>
 Total liabilities	 <u>8,496,186</u>	 <u>8,875,876</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for future period	16,067,952	15,727,419
Unavailable revenue - grant proceeds	<u>43,696</u>	<u>273,573</u>
 Total deferred inflows of resources	 <u>16,111,648</u>	 <u>16,000,992</u>
FUND BALANCES		
Nonspendable	184,260	356,069
Restricted	335,303	321,657
Assigned	58,013	31,532
Unassigned	<u>5,914,977</u>	<u>5,211,583</u>
 Total fund balances	 <u>6,492,553</u>	 <u>5,920,841</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 31,100,387</u>	 <u>\$ 30,797,709</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
CORPORATE FUND
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Property taxes	\$ 15,152,000	\$ 15,250,643	\$ 15,509,138	\$ 258,495	\$ 14,872,945
Charges for service	406,276	468,342	449,779	(18,563)	422,281
Grant proceeds	1,000,000	1,932,054	2,121,593	189,539	783,926
Investment income	6,413	17,728	15,814	(1,914)	16,928
Personal property replacement taxes	9,834	9,834	10,502	668	9,448
Other	196,478	139,950	130,197	(9,753)	152,319
Total revenues	<u>16,771,001</u>	<u>17,818,551</u>	<u>18,237,023</u>	<u>418,472</u>	<u>16,257,847</u>
Expenditures and encumbrances:					
Current:					
Personnel:					
Compensation and salaries	8,011,528	8,275,183	8,450,831	(175,648)	7,961,898
Payroll taxes	156,512	168,494	166,612	1,882	154,576
Education and seminars	1,071,372	830,150	823,382	6,768	593,631
Health and life insurance	2,038,031	2,102,663	1,985,439	117,224	1,851,255
Pension contribution	2,454,844	2,454,844	2,454,844	-	2,645,820
Commodities:					
Heat, light and power	42,741	39,808	48,367	(8,559)	47,830
Operational supplies	304,996	380,289	337,927	42,362	288,869
Postage and printing	1,069	831	1,042	(211)	637
Protective clothing	71,527	97,551	79,251	18,300	84,370
Repairs and maintenance	138,952	174,795	145,516	29,279	75,527
Telephone	9,192	9,390	12,052	(2,662)	17,457
Contractual:					
Facility charge	-	-	94,980	(94,980)	89,189
Professional services	150,211	167,418	253,028	(85,610)	134,024
Other	121,619	88,367	95,336	(6,969)	83,717
Debt service:					
Principal	1,857,410	860,000	860,000	-	765,000
Interest	-	997,410	997,410	-	1,016,153
Capital outlay	87,969	864,693	885,775	(21,082)	215,068
Total expenditures and encumbrances	<u>16,517,973</u>	<u>17,511,886</u>	<u>17,691,792</u>	<u>(179,906)</u>	<u>16,025,021</u>

See independent auditor's report.

	2019			2018	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Excess of revenues over expenditures and encumbrances	253,028	306,665	545,231	238,566	232,826
Other financing sources:					
Proceeds from sale of capital assets	-	-	-	-	3,457
Net change in fund balances	253,028	306,665	545,231	238,566	236,283
Fund balances at beginning of year (non-GAAP budgetary basis)	<u>5,889,309</u>	<u>5,889,309</u>	<u>5,889,309</u>	<u>-</u>	<u>5,653,026</u>
Fund balances at end of year (non-GAAP budgetary basis)	6,142,337	6,195,974	6,434,540	238,566	5,889,309
Adjustment to generally accepted accounting principles:					
Current year encumbrances included in expenditures	-	-	58,013	58,013	31,532
Fund balances at end of year (GAAP basis)	<u>\$ 6,142,337</u>	<u>\$ 6,195,974</u>	<u>\$ 6,492,553</u>	<u>\$ 296,579</u>	<u>\$ 5,920,841</u>

TORT LIABILITY FUND

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
TORT LIABILITY FUND
BALANCE SHEET
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Property taxes receivable	\$ 2,911,975	\$ 2,838,280
Due from other funds	2,429,562	2,079,993
Prepaid items	<u>127,158</u>	<u>187,851</u>
Total assets	<u>\$ 5,468,695</u>	<u>\$ 5,106,124</u>
LIABILITIES		
Accounts payable	\$ 17,332	\$ 19,343
Accrued expenditures	<u>56,873</u>	<u>53,129</u>
Total liabilities	<u>74,205</u>	<u>72,472</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for future period	<u>2,907,300</u>	<u>2,836,244</u>
FUND BALANCES		
Nonspendable	127,158	187,851
Restricted	2,023,539	1,704,102
Assigned	<u>336,493</u>	<u>305,455</u>
Total fund balances	<u>2,487,190</u>	<u>2,197,408</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,468,695</u>	<u>\$ 5,106,124</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
TORT LIABILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Property taxes	\$ 2,900,000	\$ 2,831,030	\$ 2,835,359	\$ 4,329	\$ 2,692,340
Charges for service	4,400	2,913	2,049	(864)	3,973
Grant proceeds	20,000	20,000	32,762	12,762	22,166
Other	49,529	24,811	28,989	4,178	34,910
Total revenues	<u>2,973,929</u>	<u>2,878,754</u>	<u>2,899,159</u>	<u>20,405</u>	<u>2,753,389</u>
Expenditures and encumbrances:					
Current:					
Personnel:					
Compensation and salaries	1,364,585	1,358,155	1,350,158	7,997	1,371,968
Payroll taxes	9,942	10,136	9,713	423	10,472
Education and seminars	60,213	4,461	5,612	(1,151)	(4,698)
Health and life insurance	20,208	18,010	16,719	1,291	20,691
Commodities:					
Operational supplies	76,679	69,580	57,392	12,188	58,058
Protective clothing	11,500	15,195	12,181	3,014	12,511
Repairs and maintenance	24,425	20,468	18,367	2,101	13,913
Contractual:					
Insurance	1,189,013	1,144,187	1,120,878	23,309	1,069,546
Professional services	143,020	87,272	9,993	77,279	284,248
Total expenditures and encumbrances	<u>2,899,585</u>	<u>2,727,464</u>	<u>2,601,013</u>	<u>126,451</u>	<u>2,836,709</u>

See independent auditor's report.

	2019			2018	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Excess (deficiency) of revenues over expenditures and encumbrances	74,344	151,290	298,146	146,856	(83,320)
Fund balances at beginning of year (non-GAAP budgetary basis)	<u>2,183,043</u>	<u>2,183,043</u>	<u>2,183,043</u>	<u>-</u>	<u>2,266,363</u>
Fund balances at end of year (non-GAAP budgetary basis)	2,257,387	2,334,333	2,481,189	146,856	2,183,043
Adjustment to generally accepted accounting principles: Current year encumbrances included in expenditures	<u>-</u>	<u>-</u>	<u>6,001</u>	<u>6,001</u>	<u>14,365</u>
Fund balances at end of year (GAAP basis)	<u>\$ 2,257,387</u>	<u>\$ 2,334,333</u>	<u>\$ 2,487,190</u>	<u>\$ 152,857</u>	<u>\$ 2,197,408</u>

EMERGENCY RESCUE FUND

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
EMERGENCY RESCUE FUND
BALANCE SHEET
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Property taxes receivable	\$ 2,093,619	\$ 1,997,889
Due from other funds	1,003,608	956,965
Prepaid items	<u>26,797</u>	<u>54,882</u>
Total assets	<u>\$ 3,124,024</u>	<u>\$ 3,009,736</u>
LIABILITIES		
Accounts payable	\$ 17,616	\$ 24,887
Accrued expenditures	<u>56,873</u>	<u>53,129</u>
Total liabilities	<u>74,489</u>	<u>78,016</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for future period	<u>2,079,107</u>	<u>1,996,421</u>
FUND BALANCES		
Nonspendable	26,797	54,882
Restricted	547,314	622,455
Assigned	<u>396,317</u>	<u>257,962</u>
Total fund balances	<u>970,428</u>	<u>935,299</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,124,024</u>	<u>\$ 3,009,736</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
EMERGENCY RESCUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Property taxes	\$ 2,019,351	\$ 1,998,266	\$ 1,961,683	\$ (36,583)	\$ 1,944,873
Charges for service	115,787	125,170	129,468	4,298	117,948
Investment income	2,572	7,110	6,777	(333)	7,255
Personal property replacement taxes	3,944	3,944	4,501	557	4,048
Other	10,549	14,393	2,517	(11,876)	2,217
Total revenues	<u>2,152,203</u>	<u>2,148,883</u>	<u>2,104,946</u>	<u>(43,937)</u>	<u>2,076,341</u>
Expenditures and encumbrances:					
Current:					
Personnel:					
Compensation and salaries	1,368,657	1,472,828	1,483,701	(10,873)	1,371,781
Payroll taxes	46,336	47,577	47,120	457	47,315
Education and seminars	9,319	9,242	5,259	3,983	14,100
Health and life insurance	302,725	312,104	294,497	17,607	273,805
Commodities:					
Heat, light and power	17,504	16,338	20,552	(4,214)	20,324
Operational supplies	77,141	74,389	77,209	(2,820)	70,317
Protective clothing	11,272	15,022	12,151	2,871	14,585
Repairs and maintenance	77,987	61,807	64,131	(2,324)	49,280
Telephone	3,687	3,766	5,165	(1,399)	7,481
Contractual:					
Professional services	42,835	59,159	62,925	(3,766)	40,115
Other	16,931	25,756	13,374	12,382	12,688
Total expenditures and encumbrances	<u>1,974,394</u>	<u>2,097,988</u>	<u>2,086,084</u>	<u>11,904</u>	<u>1,921,791</u>

See independent auditor's report.

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Excess (deficiency) of revenues over expenditures and encumbrances	177,809	50,895	18,862	(32,033)	154,550
Other financing uses:					
Transfers out	-	-	-	-	(300,000)
Net change in fund balances	177,809	50,895	18,862	(32,033)	(145,450)
Fund balances at beginning of year (non-GAAP budgetary basis)	921,486	921,486	921,486	-	1,066,936
Fund balances at end of year (non-GAAP budgetary basis)	1,099,295	972,381	940,348	(32,033)	921,486
Adjustment to generally accepted accounting principles:					
Current year encumbrances included in expenditures	-	-	30,080	30,080	13,813
Fund balances at end of year (GAAP basis)	\$ 1,099,295	\$ 972,381	\$ 970,428	\$ (1,953)	\$ 935,299

AMBULANCE FUND

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
 AMBULANCE FUND
 BALANCE SHEET
 DECEMBER 31, 2019
 WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Receivables:		
Property taxes	\$ 9,123,879	\$ 9,076,904
Accounts	2,997,345	2,196,079
Due from other funds	4,605,514	5,344,156
Prepaid items	<u>166,738</u>	<u>349,347</u>
Total assets	<u>\$ 16,893,476</u>	<u>\$ 16,966,486</u>
LIABILITIES		
Accounts payable	\$ 142,256	\$ 142,119
Accrued expenditures	<u>349,360</u>	<u>303,594</u>
Total liabilities	<u>491,616</u>	<u>445,713</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for future period	<u>9,120,615</u>	<u>9,070,601</u>
FUND BALANCES		
Nonspendable	166,738	349,347
Restricted	12,587	-
Assigned	<u>7,101,920</u>	<u>7,100,825</u>
Total fund balances	<u>7,281,245</u>	<u>7,450,172</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,893,476</u>	<u>\$ 16,966,486</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
 AMBULANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Property taxes	\$ 8,700,000	\$ 9,103,197	\$ 9,007,315	\$ (95,882)	\$ 8,537,750
Charges for service	4,220,908	4,928,440	5,135,174	206,734	4,763,569
Investment income	21,014	58,088	51,019	(7,069)	56,427
Personal property replacement taxes	32,222	32,222	35,008	2,786	31,492
Other	67,697	14,963	29,935	14,972	30,557
Total revenues	<u>13,041,841</u>	<u>14,136,910</u>	<u>14,258,451</u>	<u>121,541</u>	<u>13,419,795</u>
Expenditures and encumbrances:					
Current:					
Personnel:					
Compensation and salaries	7,960,460	8,383,967	8,297,868	86,099	7,866,036
Payroll taxes	351,718	348,257	344,147	4,110	347,557
Education and seminars	59,798	41,800	43,441	(1,641)	51,146
Health and life insurance	1,986,964	2,936,103	2,797,955	138,148	1,762,235
Commodities:					
Heat, light and power	140,755	131,165	160,813	(29,648)	159,024
Operational supplies	379,690	395,840	418,633	(22,793)	392,747
Postage and printing	3,502	2,723	3,474	(751)	2,124
Protective clothing	65,901	86,678	72,804	13,874	72,701
Repairs and maintenance	339,943	280,378	289,107	(8,729)	178,868
Telephone	30,121	30,767	40,175	(9,408)	58,189
Contractual:					
Billing services	130,000	175,045	182,798	(7,753)	169,238
Professional services	347,187	454,457	478,200	(23,743)	317,982
Other	375,906	510,415	274,869	235,546	381,760
Capital outlay	288,248	236,122	219,694	16,428	196,847
Total expenditures and encumbrances	<u>12,460,193</u>	<u>14,013,717</u>	<u>13,623,978</u>	<u>389,739</u>	<u>11,956,454</u>

See independent auditor's report.

	2019			2018	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Excess of revenues over expenditures and encumbrances	581,648	123,193	634,473	511,280	1,463,341
Other financing uses:					
Transfers out	-	-	(900,000)	(900,000)	(161,246)
Net change in fund balances	581,648	123,193	(265,527)	(388,720)	1,302,095
Fund balances at beginning of year (non-GAAP budgetary basis)	7,416,811	7,416,811	7,416,811	-	6,114,716
Fund balances at end of year (non-GAAP budgetary basis)	7,998,459	7,540,004	7,151,284	(388,720)	7,416,811
Adjustment to generally accepted accounting principles:					
Current year encumbrances included in expenditures	-	-	129,961	129,961	33,361
Fund balances at end of year (GAAP basis)	\$ 7,998,459	\$ 7,540,004	\$ 7,281,245	\$ (258,759)	\$ 7,450,172

CAPITAL PROJECTS FUND

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
 CAPITAL PROJECTS FUND
 BALANCE SHEET
 DECEMBER 31, 2019
 WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and investments	<u>\$ 2,242,847</u>	<u>\$ 2,158,966</u>
LIABILITIES		
Accounts payable	\$ 57,135	\$ 49,257
Due to other funds	<u>1,041,391</u>	<u>936,779</u>
Total liabilities	1,098,526	986,036
FUND BALANCES		
Assigned	<u>1,144,321</u>	<u>1,172,930</u>
Total liabilities and fund balances	<u>\$ 2,242,847</u>	<u>\$ 2,158,966</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2019			2018	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Investment income	\$ -	\$ -	\$ 1,694	\$ 1,694	\$ 1,100
Expenditures and encumbrances:					
Current:					
Contractual:					
Other	-	-	-	-	16,056
Debt service:					
Principal	-	-	197,585	(197,585)	191,661
Interest	-	-	41,572	(41,572)	47,496
Capital outlay	811,000	939,072	1,376,165	(437,093)	601,970
Total expenditures and encumbrances	811,000	939,072	1,615,322	(676,250)	857,183
Deficiency of revenues over expenditures and encumbrances	(811,000)	(939,072)	(1,613,628)	(674,556)	(856,083)
Other financing sources:					
Proceeds from note payable	-	-	350,000	350,000	-
Proceeds from sale of capital assets	225,000	270,943	272,212	1,269	1,618
Transfers in	-	-	900,000	900,000	461,246
Total other financing sources	225,000	270,943	1,522,212	1,251,269	462,864
Net change in fund balances	(586,000)	(668,129)	(91,416)	576,713	(393,219)
Fund balances at beginning of year (non-GAAP budgetary basis)	805,743	805,743	805,743	-	1,198,962
Fund balances at end of year (non-GAAP budgetary basis)	219,743	137,614	714,327	576,713	805,743
Adjustment to generally accepted accounting principles:					
Current year encumbrances included in expenditures	-	-	429,994	429,994	367,187
Fund balances at end of year (GAAP basis)	\$ 219,743	\$ 137,614	\$ 1,144,321	\$ 1,006,707	\$ 1,172,930

See independent auditor's report.

FIDUCIARY FUNDS

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2019**

ASSETS	Firefighters' Pension	Retiree Health Insurance	Total
Cash	\$ 7,932,888	\$ 446,503	\$ 8,379,391
Accrued interest receivable	360,182	-	360,182
Investments:			
Debt issues:			
Corporate	28,306,098	1,112,744	29,418,842
Foreign	1,570,181	-	1,570,181
Municipal	2,442,066	-	2,442,066
Equities:			
Domestic	10,223,772	-	10,223,772
Foreign	136,893	-	136,893
Mutual funds:			
Bonds	-	1,416,019	1,416,019
Equities	85,981,620	5,977,247	91,958,867
Other pooled equity investments	-	416,930	416,930
Other pooled fixed income investments	-	243,544	243,544
Separate account	17,314,340	-	17,314,340
U.S. government agency obligations	3,525,405	-	3,525,405
U.S. Treasury notes	17,220,878	62,251	17,283,129
Prepaid items	16,560	-	16,560
	<u>175,030,883</u>	<u>9,675,238</u>	<u>184,706,121</u>
Total assets			
	<u>175,030,883</u>	<u>9,675,238</u>	<u>184,706,121</u>
LIABILITIES			
Accounts payable	42,946	-	42,946
Due to other fund	18,027	-	18,027
	<u>60,973</u>	<u>-</u>	<u>60,973</u>
Total liabilities			
	<u>60,973</u>	<u>-</u>	<u>60,973</u>
NET POSITION			
Net position restricted for:			
Pension benefits	174,969,910	-	174,969,910
Other post-employment benefits	-	9,675,238	9,675,238
	<u>174,969,910</u>	<u>9,675,238</u>	<u>184,645,148</u>
Total net position			
	<u>\$ 174,969,910</u>	<u>\$ 9,675,238</u>	<u>\$ 184,645,148</u>

See independent auditor's report.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>Firefighters' Pension</u>	<u>Retiree Health Insurance</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 2,454,844	\$ 1,500,010	\$ 3,954,854
Employees	<u>1,378,605</u>	<u>-</u>	<u>1,378,605</u>
Total contributions	<u>3,833,449</u>	<u>1,500,010</u>	<u>5,333,459</u>
Investment income	25,508,073	1,711,640	27,219,713
Less investment expense	<u>(289,702)</u>	<u>(51,006)</u>	<u>(340,708)</u>
Net investment income	<u>25,218,371</u>	<u>1,660,634</u>	<u>26,879,005</u>
Total additions	<u>29,051,820</u>	<u>3,160,644</u>	<u>32,212,464</u>
Deductions:			
Benefit payments	5,949,137	735,630	6,684,767
Administrative expenses	<u>98,185</u>	<u>4,200</u>	<u>102,385</u>
Total deductions	<u>6,047,322</u>	<u>739,830</u>	<u>6,787,152</u>
Increase in net position	23,004,498	2,420,814	25,425,312
Net position at beginning of year	<u>151,965,412</u>	<u>7,254,424</u>	<u>159,219,836</u>
Net position at end of year	<u>\$ 174,969,910</u>	<u>\$ 9,675,238</u>	<u>\$ 184,645,148</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
FIREFIGHTERS' PENSION FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018**

ASSETS	<u>2019</u>	<u>2018</u>
Cash	\$ 7,932,888	\$ 5,047,533
Accrued interest receivable	360,182	335,740
Investments:		
Debt issues:		
Corporate	28,306,098	23,199,329
Foreign	1,570,181	2,243,022
Municipal	2,442,066	1,980,546
Equities:		
Domestic	10,223,772	8,559,723
Foreign	136,893	38,631
Mutual funds:		
Equities	85,981,620	70,903,493
Separate account	17,314,340	17,875,844
U.S. government agency obligations	3,525,405	2,604,615
U.S. Treasury notes	17,220,878	19,229,105
Prepaid items	<u>16,560</u>	<u>5,667</u>
Total assets	<u>175,030,883</u>	<u>152,023,248</u>
LIABILITIES		
Accounts payable	42,946	51,192
Due to other fund	<u>18,027</u>	<u>6,644</u>
Total liabilities	<u>60,973</u>	<u>57,836</u>
NET POSITION		
Net position restricted for pension benefits	<u>\$ 174,969,910</u>	<u>\$ 151,965,412</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
FIREFIGHTERS' PENSION FUND
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR THE
YEAR ENDED DECEMBER 31, 2018**

	2019	2018
Additions:		
Contributions:		
Employer	\$ 2,454,844	\$ 2,645,820
Employees	1,378,605	1,282,881
Total contributions	3,833,449	3,928,701
Investment income (loss)	25,508,073	(5,617,627)
Less investment expense	(289,702)	(291,012)
Net investment income (loss)	25,218,371	(5,908,639)
Total additions	29,051,820	(1,979,938)
Deductions:		
Benefit payments	5,949,137	4,998,523
Administrative expenses	98,185	102,276
Total deductions	6,047,322	5,100,799
Increase (decrease) in net position	23,004,498	(7,080,737)
Net position at beginning of year	151,965,412	159,046,149
Net position at end of year	\$ 174,969,910	\$ 151,965,412

See independent auditor's report.

RETIREE HEALTH INSURANCE FUND

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
RETIREE HEALTH INSURANCE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018**

ASSETS	<u>2019</u>	<u>2018</u>
Cash	\$ 446,503	\$ 106,127
Investments:		
Debt issues:		
Corporate	1,112,744	778,945
Mutual funds:		
Bonds	1,416,019	1,146,226
Equities	5,977,247	4,537,641
Other pooled equity investments	416,930	358,499
Other pooled fixed income investments	243,544	326,986
U.S. Treasury note	<u>62,251</u>	<u>-</u>
Total assets	<u>\$ 9,675,238</u>	<u>\$ 7,254,424</u>
NET POSITION		
Net position restricted for other post-employment benefits	<u>\$ 9,675,238</u>	<u>\$ 7,254,424</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
RETIREE HEALTH INSURANCE FUND
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR THE
YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
Additions:		
Contributions:		
Employer	\$ <u>1,500,010</u>	\$ <u>600,101</u>
Investment income (loss)	1,711,640	(539,662)
Less investment expense	<u>(51,006)</u>	<u>(48,497)</u>
Net investment income (loss)	<u>1,660,634</u>	<u>(588,159)</u>
Total additions	<u>3,160,644</u>	<u>11,942</u>
Deductions:		
Benefit payments	735,630	741,694
Administrative expenses	<u>4,200</u>	<u>4,000</u>
Total deductions	<u>739,830</u>	<u>745,694</u>
Increase (decrease) in net position	2,420,814	(733,752)
Net position at beginning of year	<u>7,254,424</u>	<u>7,988,176</u>
Net position at end of year	<u>\$ 9,675,238</u>	<u>\$ 7,254,424</u>

See independent auditor's report.

STATISTICAL SECTION

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
STATISTICAL SECTION
DECEMBER 31, 2019

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. The section is divided into five sections as follows:

Financial Trends - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

	<u>Page</u>
Net Position by Component	90-91
Changes in Net Position	92-93
Fund Balances of Governmental Funds	94-95
Changes in Fund Balances of Governmental Funds	96-97

Revenue Capacity - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

	<u>Page</u>
Schedule of Assessed Value and Estimated Actual Value of Taxable Property	98-99
Schedule of Assessed Valuations, Tax Rates, Extensions and Collections	100-101
Property Tax Rates - Direct and Overlapping Governments	102-103
Principal Property Taxpayers	104-105

Debt Capacity - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

	<u>Page</u>
Outstanding Debt by Type	106-107
Ratios of General Obligation Debt Outstanding	108
Direct and Overlapping Governmental Activities Debt	109
Legal Debt Margin Information	110-111

Demographic and Economic Information - These schedules contain demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

	<u>Page</u>
Demographic and Economic Statistics	112-113
Principal Employers	114-115

Operating Information - These schedules contain service data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

	<u>Page</u>
Full-time Equivalent District Employees by Type	116-117
Operating Indicators by Function	118-119

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:										
Net investment in capital assets	\$ 16,022,439	\$ 15,495,343	\$ 16,316,884	\$ 16,986,770	\$ 15,620,884	\$ 14,581,762	\$ 13,719,919	\$ 12,577,376	\$ 12,313,750	\$ 7,904,930
Restricted	2,808,362	2,636,279	3,667,785	2,696,270	2,415,372	1,962,414	1,996,258	2,118,736	2,252,121	3,125,891
Unrestricted	<u>(39,398,245)</u>	<u>(39,486,351)</u>	<u>(22,381,879)</u>	<u>(22,069,217)</u>	<u>(20,148,296)</u>	<u>9,264,348</u>	<u>9,357,299</u>	<u>9,980,960</u>	<u>9,967,417</u>	<u>13,116,667</u>
Total governmental activities net position (deficit)	<u>\$ (20,567,444)</u>	<u>\$ (21,354,729)</u>	<u>\$ (2,397,210)</u>	<u>\$ (2,386,177)</u>	<u>\$ (2,112,040)</u>	<u>\$ 25,808,524</u>	<u>\$ 25,073,476</u>	<u>\$ 24,677,072</u>	<u>\$ 24,533,288</u>	<u>\$ 24,147,488</u>

Note: The District adopted GASB 68 during 2015 and GASB 75 during 2018. Prior years are not restated to reflect retrospective adoption of these statements.

See independent auditor's report.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses											
Governmental activities:											
Fire and rescue	\$ 16,525,606	\$ 16,091,329	\$ 15,562,510	\$ 16,145,307		\$ 15,789,071	\$ 14,474,684	\$ 14,125,007	\$ 14,444,780	\$ 13,933,133	\$ 13,918,185
Emergency medical service	14,258,062	13,774,228	12,825,268	12,703,385		12,633,953	11,756,488	11,371,042	11,520,507	10,759,192	10,831,850
General government	4,870,253	3,914,160	3,467,056	3,099,171		3,028,790	2,805,863	2,732,841	3,729,040	3,855,197	3,233,634
Interest expense	<u>1,053,531</u>	<u>1,077,808</u>	<u>1,079,167</u>	<u>1,119,872</u>		<u>1,178,919</u>	<u>1,226,969</u>	<u>1,229,493</u>	<u>204,252</u>	<u>251,746</u>	<u>286,664</u>
Total primary government expenses	<u>36,707,452</u>	<u>34,857,525</u>	<u>32,934,001</u>	<u>33,067,735</u>		<u>32,630,733</u>	<u>30,264,004</u>	<u>29,458,383</u>	<u>29,898,579</u>	<u>28,799,268</u>	<u>28,270,333</u>
Program revenues											
Governmental activities:											
Charges for service:											
Fire and rescue	530,241	518,359	500,384	549,943		438,758	406,948	363,134	347,549	354,354	315,735
Emergency medical service	4,931,679	4,565,428	3,449,542	3,527,863		2,920,777	2,795,513	2,789,402	2,237,371	2,053,625	2,018,902
General government	254,550	223,984	211,979	228,178		217,282	177,663	165,695	216,431	151,561	125,329
Operating grants and contributions	1,924,478	1,079,665	529,886	240,494		10,006	78,912	64,944	164,190	79,036	169,462
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>7,640,948</u>	<u>6,387,436</u>	<u>4,691,791</u>	<u>4,546,478</u>		<u>3,586,823</u>	<u>3,459,036</u>	<u>3,403,175</u>	<u>2,965,541</u>	<u>2,638,576</u>	<u>2,629,428</u>
Net (expense) revenue											
Total primary government net expense	<u>(29,066,504)</u>	<u>(28,470,089)</u>	<u>(28,242,210)</u>	<u>(28,521,257)</u>		<u>(29,043,910)</u>	<u>(26,804,968)</u>	<u>(26,055,208)</u>	<u>(26,933,038)</u>	<u>(26,160,692)</u>	<u>(25,640,905)</u>
General revenues and other changes in net position											
Governmental activities:											
Taxes:											
Property	29,313,495	28,047,908	27,887,864	27,922,833		27,391,827	27,304,943	26,170,143	26,611,660	25,919,259	24,473,283
Personal property replacement	50,011	44,988	46,462	62,650		43,937	43,351	53,633	36,696	49,442	48,831
Gain on sale of capital assets	223,341	-	-	-		-	-	-	-	-	-
Investment income	75,304	81,710	27,928	29,929		26,420	25,432	42,090	47,768	47,636	61,362
Other income	<u>191,638</u>	<u>220,003</u>	<u>268,923</u>	<u>231,708</u>		<u>285,166</u>	<u>166,290</u>	<u>185,746</u>	<u>551,891</u>	<u>530,155</u>	<u>753,952</u>
Total primary government general revenues	<u>29,853,789</u>	<u>28,394,609</u>	<u>28,231,177</u>	<u>28,247,120</u>		<u>27,747,350</u>	<u>27,540,016</u>	<u>26,451,612</u>	<u>27,248,015</u>	<u>26,546,492</u>	<u>25,337,428</u>
Change in net position											
Total primary government	<u>\$ 787,285</u>	<u>\$ (75,480)</u>	<u>\$ (11,033)</u>	<u>\$ (274,137)</u>		<u>\$ (1,296,560)</u>	<u>\$ 735,048</u>	<u>\$ 396,404</u>	<u>\$ 314,977</u>	<u>\$ 385,800</u>	<u>\$ (303,477)</u>

Note: The District adopted GASB 68 during 2015 and GASB 75 during 2018. Prior years are not restated to reflect retrospective adoption of these statements.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:										
Nonspendable	\$ 338,215	\$ 598,802	\$ 182,835	\$ 68,764	\$ 108,434	\$ 177,149	\$ 157,416	\$ 5,315	\$ 458,540	\$ 341,371
Restricted	2,843,149	2,648,214	3,667,785	2,697,454	2,176,794	1,937,709	1,681,296	1,810,994	2,082,129	1,798,986
Assigned	790,823	594,949	760,646	629,168	455,190	375,449	1,197,863	684,302	837,788	538,714
Unassigned	<u>5,462,856</u>	<u>5,211,583</u>	<u>4,481,763</u>	<u>5,555,772</u>	<u>5,565,198</u>	<u>6,271,207</u>	<u>5,792,567</u>	<u>6,804,456</u>	<u>6,305,163</u>	<u>6,332,368</u>
Total General Fund	<u>\$ 9,435,043</u>	<u>\$ 9,053,548</u>	<u>\$ 9,093,029</u>	<u>\$ 8,951,158</u>	<u>\$ 8,305,616</u>	<u>\$ 8,761,514</u>	<u>\$ 8,829,142</u>	<u>\$ 9,305,067</u>	<u>\$ 9,683,620</u>	<u>\$ 9,011,439</u>
All other governmental funds:										
Nonspendable	\$ 166,738	\$ 349,347	\$ 1,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	12,587	-	2,318	33,728	20,130	24,705	22,420	-	-	-
Assigned	<u>8,246,241</u>	<u>8,273,755</u>	<u>7,457,161</u>	<u>7,134,671</u>	<u>6,923,098</u>	<u>6,651,877</u>	<u>7,398,484</u>	<u>8,101,238</u>	<u>6,717,040</u>	<u>10,389,995</u>
Total all other governmental funds	<u>\$ 8,425,566</u>	<u>\$ 8,623,102</u>	<u>\$ 7,460,814</u>	<u>\$ 7,168,399</u>	<u>\$ 6,943,228</u>	<u>\$ 6,676,582</u>	<u>\$ 7,420,904</u>	<u>\$ 8,101,238</u>	<u>\$ 6,717,040</u>	<u>\$ 10,389,995</u>

See independent auditor's report.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:										
Property taxes	\$ 29,313,495	\$ 28,047,908	\$ 27,887,864	\$ 27,922,833	\$ 27,391,827	\$ 27,304,943	\$ 26,170,143	\$ 26,611,660	\$ 25,919,259	\$ 24,473,283
Charges for service	5,716,470	5,307,771	4,161,905	4,305,984	3,576,817	3,380,124	3,318,231	2,801,351	2,559,540	2,459,966
Grant proceeds	2,154,355	806,092	529,886	240,494	9,506	77,662	84,944	164,190	79,036	169,462
Investment income	75,304	81,710	27,928	29,929	26,420	25,432	42,090	47,768	47,636	61,362
Personal property replacement taxes	50,011	44,988	46,462	62,650	43,937	43,351	53,633	36,696	49,442	48,831
Other	191,638	220,003	248,923	231,710	285,666	167,540	185,746	551,891	530,155	753,952
Total revenues	<u>37,501,273</u>	<u>34,508,472</u>	<u>32,902,968</u>	<u>32,793,600</u>	<u>31,334,173</u>	<u>30,999,052</u>	<u>29,854,787</u>	<u>30,213,556</u>	<u>29,185,068</u>	<u>27,966,856</u>
Expenditures:										
Current:										
Personnel:										
Compensation and salaries	19,582,558	18,571,683	17,730,666	16,965,949	16,761,793	17,369,632	15,830,084	16,880,527	15,683,055	14,382,321
Payroll taxes	567,592	559,920	536,520	457,393	451,791	448,998	435,550	448,110	422,376	385,472
Education and seminars	883,342	673,274	306,402	90,588	79,986	58,366	97,058	76,483	59,741	75,123
Health and life insurance	5,094,610	3,907,986	4,412,428	3,551,798	3,129,463	2,759,945	4,175,191	3,889,503	3,335,869	4,568,289
Pension contribution	2,454,844	2,645,820	2,863,555	2,828,543	3,293,073	3,386,334	2,719,548	29,075,713	3,763,590	3,030,592
Commodities:										
Heat, light, and power	229,732	227,178	190,577	193,723	118,681	125,532	99,074	85,622	148,303	129,751
Operational supplies	769,608	803,177	1,166,137	550,086	625,399	672,367	627,651	663,404	479,043	448,580
Postage and printing	4,516	2,761	1,903	885	7,385	7,453	6,236	10,830	8,834	31,880
Protective clothing	167,457	202,858	146,770	91,931	155,085	213,293	138,365	224,558	157,547	113,170
Repairs and maintenance	510,072	614,187	663,240	780,135	627,729	624,681	890,085	433,251	456,367	875,240
Telephone	57,392	83,127	79,933	65,256	60,650	57,241	49,400	50,684	64,144	62,008
Vehicle maintenance	-	-	-	-	116,931	128,406	142,410	137,943	123,953	123,402
Contractual:										
Billing services	182,798	169,238	129,945	87,000	106,033	144,013	116,816	95,871	88,753	92,959
Facility charge	94,980	89,189	-	-	-	-	-	-	-	-
Insurance	1,120,878	1,069,546	1,006,865	1,014,198	1,131,280	1,027,019	1,128,657	1,181,120	977,041	1,377,183
Professional services	804,146	776,369	755,783	618,507	735,902	804,890	724,519	669,776	478,999	367,445
Other	384,479	477,265	376,154	235,851	370,071	353,277	279,739	222,812	304,954	276,883
Debt service:										
Principal	1,057,585	956,661	795,235	1,866,716	1,743,305	1,534,998	1,325,000	860,000	1,858,330	850,554
Interest	1,038,982	1,063,649	1,056,939	1,118,163	1,174,494	1,222,763	1,188,476	198,850	258,440	298,333
Bond / debt certificate issuance costs and fees	-	-	-	-	-	-	-	452,153	-	-
Capital outlay	2,418,827	496,852	1,103,828	1,406,165	834,374	2,027,616	1,037,187	265,701	3,516,503	2,103,439
Total expenditures	<u>37,424,398</u>	<u>33,390,740</u>	<u>33,322,880</u>	<u>31,922,887</u>	<u>31,523,425</u>	<u>32,966,824</u>	<u>31,011,046</u>	<u>55,922,911</u>	<u>32,185,842</u>	<u>29,592,624</u>
Excess (deficiency) of revenues over expenditures	<u>76,875</u>	<u>1,117,732</u>	<u>(419,912)</u>	<u>870,713</u>	<u>(189,252)</u>	<u>(1,967,772)</u>	<u>(1,156,259)</u>	<u>(25,709,355)</u>	<u>(3,000,774)</u>	<u>(1,625,768)</u>
Other financing sources (uses):										
Installment contract	-	-	-	-	-	1,155,822	-	-	-	-
Proceeds from debt issuance/note payable	350,000	-	834,198	-	-	-	-	26,715,000	-	-
Proceeds from sale of capital assets	272,212	5,075	20,000	-	-	-	-	-	-	-
Transfers in	900,000	461,246	1,020,906	1,206,000	1,706,000	1,125,000	2,071,600	2,812,425	130,000	2,575,975
Transfers out	(900,000)	(461,246)	(1,020,906)	(1,206,000)	(1,706,000)	(1,125,000)	(2,071,600)	(2,812,425)	(130,000)	(2,575,975)
Total other financing sources (uses)	<u>622,212</u>	<u>5,075</u>	<u>854,198</u>	<u>-</u>	<u>-</u>	<u>1,155,822</u>	<u>-</u>	<u>26,715,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 699,087</u>	<u>\$ 1,122,807</u>	<u>\$ 434,286</u>	<u>\$ 870,713</u>	<u>\$ (189,252)</u>	<u>\$ (811,950)</u>	<u>\$ (1,156,259)</u>	<u>\$ 1,005,645</u>	<u>\$ (3,000,774)</u>	<u>\$ (1,625,768)</u>
Debt service as a percentage of non-capital expenditures	<u>5.84 %</u>	<u>6.14 %</u>	<u>5.60 %</u>	<u>9.69 %</u>	<u>9.49 %</u>	<u>8.90 %</u>	<u>8.39 %</u>	<u>2.71 %</u>	<u>7.38 %</u>	<u>4.18 %</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
SCHEDULE OF ASSESSED VALUE AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS**

Levy Year	Assessed Value					Total Assessed Value	Estimated Actual Value	Total Direct Rate
	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property			
2018	\$ 1,732,175,786	\$ 734,179,671	\$ 25,233,910	\$ 334,268	\$ 453,056	\$ 2,492,376,691	\$ 10,019,354,298	\$ 1.2260
2017	1,742,946,298	789,209,557	24,028,142	379,800	566,894	2,557,130,691	10,279,665,378	1.1600
2016	1,523,980,712	690,061,503	21,009,497	332,086	495,675	2,235,879,473	8,988,235,481	1.2915
2015	1,451,557,819	657,268,274	20,011,080	316,305	472,119	2,129,625,597	8,561,094,900	1.3427
2014	1,493,185,102	676,117,190	20,584,951	325,376	485,658	2,190,698,277	8,806,607,074	1.2693
2013	1,535,459,711	597,040,566	114,982,236	349,582	386,107	2,248,218,202	9,037,837,172	1.2374
2012	1,624,500,909	631,662,905	121,650,047	369,854	408,498	2,378,592,213	9,561,940,696	1.1263
2011	1,761,730,402	685,022,544	131,926,418	401,097	443,006	2,579,523,467	10,369,684,337	1.0497
2010	2,061,365,996	801,531,367	154,364,500	469,316	518,352	3,018,249,531	12,133,363,115	0.8782
2009	2,060,640,966	801,249,450	154,310,206	469,151	518,170	3,017,187,943	12,129,095,531	0.8361

Source:
Office of the Cook County Assessor

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,
EXTENSIONS AND COLLECTIONS
DECEMBER 31, 2019**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed valuation (1)	\$ 2,492,376,691	\$ 2,557,130,691	\$ 2,235,879,473	\$ 2,129,625,597	\$ 2,190,698,277	\$ 2,248,218,202	\$ 2,378,592,213	\$ 2,579,523,467	\$ 3,018,249,531	\$ 3,017,187,943
Tax rates:										
Corporate	0.4620	0.4300	0.4742	0.5000	0.4729	0.4590	0.5000	0.4980	0.4192	0.3981
Ambulance	0.3641	0.3414	0.3776	0.4000	0.3880	0.3686	0.3000	0.2710	0.2190	0.2294
Tort liability	0.1173	0.1103	0.1097	0.1509	0.1439	0.1418	0.0879	0.0666	0.0653	0.0572
Firefighters' pension	0.1747	0.1726	0.2081	0.2107	0.1943	0.1989	0.1635	0.1361	0.1131	0.0948
Illinois Municipal Retirement	0.0093	0.0091	0.0083	0.0085	0.0069	0.0068	0.0087	0.0129	0.0070	0.0070
Social Security	0.0162	0.0156	0.0173	0.0179	0.0161	0.0158	0.0149	0.0139	0.0110	0.0098
Audit	0.0014	0.0015	0.0014	0.0015	0.0014	0.0014	0.0013	0.0012	0.0007	0.0007
Fire and rescue	0.0810	0.0795	0.0949	0.0532	0.0458	0.0451	0.0500	0.0500	0.0429	0.0391
Total	<u>1.2260</u>	<u>1.1600</u>	<u>1.2915</u>	<u>1.3427</u>	<u>1.2693</u>	<u>1.2374</u>	<u>1.1263</u>	<u>1.0497</u>	<u>0.8782</u>	<u>0.8361</u>
Tax extensions:										
Corporate	\$ 11,504,810	\$ 10,995,662	\$ 10,602,540	\$ 10,648,128	\$ 10,359,812	\$ 10,319,321	\$ 11,892,961	\$ 12,845,375	\$ 12,652,502	\$ 12,011,425
Ambulance	9,074,743	8,730,044	8,442,680	8,518,502	8,499,909	8,286,932	7,135,777	6,990,274	6,609,966	6,921,429
Tort liability	2,923,557	2,820,515	2,452,759	3,213,600	3,152,414	3,187,973	2,089,876	1,717,675	1,970,916	1,725,831
Firefighters' pension	4,354,829	4,413,608	4,652,277	4,487,017	4,256,526	4,471,782	3,889,256	3,512,470	3,413,153	2,860,294
Illinois Municipal Retirement	231,791	232,699	185,577	180,250	151,158	152,878	206,000	333,755	211,277	211,203
Social Security	403,765	398,912	386,807	381,100	352,702	152,878	355,350	358,921	332,007	295,684
Audit	34,893	38,357	31,302	30,900	30,669	355,218	29,870	30,591	21,127	21,120
Fire and rescue	2,018,825	2,032,919	2,121,849	1,133,000	1,003,339	1,013,946	1,189,296	1,289,762	1,294,829	1,179,720
Total	<u>\$ 30,547,213</u>	<u>\$ 29,662,716</u>	<u>\$ 28,875,791</u>	<u>\$ 28,592,497</u>	<u>\$ 27,806,529</u>	<u>\$ 27,940,928</u>	<u>\$ 26,788,386</u>	<u>\$ 27,078,823</u>	<u>\$ 26,505,777</u>	<u>\$ 25,226,706</u>
Collections:										
Current	\$ 29,228,732	\$ 27,981,703	\$ 27,749,469	\$ 27,556,585	\$ 27,227,022	\$ 26,987,031	\$ 25,898,953	\$ 26,193,587	\$ 25,578,918	\$ 24,235,274
Subsequent	-	70,045	25,258	138,395	398,086	226,278	392,789	201,981	420,904	339,050
Total	<u>\$ 29,228,732</u>	<u>\$ 28,051,748</u>	<u>\$ 27,774,727</u>	<u>\$ 27,694,980</u>	<u>\$ 27,625,108</u>	<u>\$ 27,213,309</u>	<u>\$ 26,291,742</u>	<u>\$ 26,395,568</u>	<u>\$ 25,999,822</u>	<u>\$ 24,574,324</u>
Percent collected:										
Current	95.68 %	94.33 %	96.10 %	96.38 %	97.92 %	96.59 %	96.68 %	96.73 %	96.50 %	96.07 %
Subsequent	0.00	0.24	0.09	0.48	1.44	0.81	1.47	0.75	1.59	1.34
Total	<u>95.68 %</u>	<u>94.57 %</u>	<u>96.19 %</u>	<u>96.86 %</u>	<u>99.36 %</u>	<u>97.40 %</u>	<u>98.15 %</u>	<u>97.48 %</u>	<u>98.09 %</u>	<u>97.41 %</u>

(1) Assessed valuation is as of the year preceding the fiscal year in which the taxes are levied.

(2) 2018 is the most current information available.

Data Source

Office of the Cook County Clerk

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS**

Levy year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Overlapping governments:										
Cook County	0.489	0.496	0.533	0.552	0.568	0.560	0.531	0.462	0.423	0.394
Cook County Forest Preserve District	0.060	0.062	0.063	0.069	0.069	0.069	0.063	0.058	0.051	0.049
Consolidated Elections	0.000	0.031	0.000	0.034	0.000	0.031	0.000	0.025	0.000	0.021
Bremen Township	0.086	0.081	0.087	0.089	0.085	0.078	0.070	0.061	0.051	0.049
Bremen General Assistance	0.019	0.018	0.019	0.019	0.018	0.016	0.014	0.012	0.009	0.008
Bremen Road and Bridge	0.056	0.053	0.057	0.058	0.055	0.050	0.045	0.039	0.032	0.031
Orland Township	0.071	0.066	0.072	0.075	0.073	0.070	0.066	0.061	0.052	0.052
Orland General Assistance	0.006	0.006	0.006	0.007	0.006	0.007	0.007	0.007	0.006	0.006
Orland Road and Bridge	0.037	0.035	0.039	0.041	0.040	0.039	0.037	0.034	0.029	0.029
South Cook Mosquito Abatement District	0.017	0.016	0.017	0.017	0.017	0.016	0.014	0.012	0.010	0.009
Metropolitan Water Reclamation District	0.396	0.402	0.406	0.426	0.430	0.417	0.370	0.320	0.274	0.261
Village of Orland Hills	0.591	0.480	0.423	0.433	0.418	0.400	0.369	0.331	0.279	0.269
Village of Orland Hills SSA #1	0.000	0.000	0.000	0.000	0.000	0.250	0.235	0.237	0.250	0.250
Village of Orland Park	0.609	0.595	0.679	0.714	0.693	0.675	0.638	0.589	0.498	0.046
Village of Orland Park Library Fund	0.296	0.307	0.345	0.355	0.339	0.303	0.279	0.255	0.212	0.203
Acorn Public Library District	0.229	0.217	0.237	0.243	0.233	0.202	0.192	0.168	0.000	0.000
Orland Hills Public Library District	0.164	0.156	0.173	0.176	0.170	0.162	0.149	0.133	0.110	0.106
Mokena Community Park Bond 2005	0.000	0.000	0.000	0.000	0.000	0.051	0.049	0.046	0.056	0.055
Tinley Park Park District	0.498	0.475	0.522	0.534	0.521	0.493	0.455	0.411	0.359	0.353
School District 135	3.155	2.979	3.318	3.425	3.286	3.187	3.212	2.874	2.467	2.377
School District 140	4.736	4.488	5.119	5.304	5.135	4.779	4.399	3.910	3.710	3.564
School District 146	5.749	5.474	5.943	6.125	5.906	5.456	5.041	4.558	3.742	3.650
Consolidated High School 230	2.425	2.287	2.778	2.879	2.770	2.641	2.438	2.180	1.812	1.764
Moraine Valley Comm. College 524	<u>0.384</u>	<u>0.365</u>	<u>0.406</u>	<u>0.419</u>	<u>0.403</u>	<u>0.375</u>	<u>0.346</u>	<u>0.311</u>	<u>0.256</u>	<u>0.247</u>
Total overlapping governments	20.073	19.089	21.242	21.994	21.235	20.327	19.019	17.094	14.688	13.793
Orland Fire Protection District	<u>1.226</u>	<u>1.160</u>	<u>1.292</u>	<u>1.343</u>	<u>1.269</u>	<u>1.237</u>	<u>1.126</u>	<u>1.050</u>	<u>0.878</u>	<u>0.836</u>
Totals	<u>21.299</u>	<u>20.249</u>	<u>22.534</u>	<u>23.337</u>	<u>22.504</u>	<u>21.564</u>	<u>20.145</u>	<u>18.144</u>	<u>15.566</u>	<u>14.629</u>

Source of information - Cook County Clerk's Office

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
PRINCIPAL PROPERTY TAXPAYERS*
DECEMBER 31, 2019**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2018</u>			<u>2009</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Taxable Assessed Value</u>
Simon Property Group	Orland Square Mall (includes smaller stores)	\$ 106,852,302	1	4.29 %	\$ 147,798,930	1	4.90 %
IRC	Shopping centers and one-story store	49,047,433	2	1.97	67,754,054	2	2.25
Metra Triangle LLC	Special rental structure	13,035,831	3	0.52	-	-	-
Constance Oswald	Commercial buildings, 2 or more stories	12,181,162	4	0.49	16,460,111	3	0.55
B & G Realty	One story public garage/cinema	11,310,925	5	0.45	14,645,558	4	0.49
Edwards Realty Co.	One, two or three story building containing retail and commercial space	10,983,000	6	0.44	-	-	-
Cambridge Realty Captl	Special commercial improvements	8,952,493	7	0.36	9,604,772	10	0.32
Res of Orland Crossing	Apartment buildings	8,897,388	8	0.36	-	-	-
Lifetime Fitness 123	Special commercial structure	8,204,150	9	0.33	-	-	-
J.C. Penney Co., Inc.	Department store	8,179,003	10	0.33	14,037,188	6	0.47
Albertsons	Jewel supermarkets and Osco drugs	-	-	-	14,577,398	5	0.48
St. George Corp	Commercial building over three stories	-	-	-	12,405,958	7	0.41
Sears	Department store	-	-	-	11,534,467	8	0.38
MCRIL LLC	Shopping center	-	-	-	10,323,243	9	0.34
Total		\$ 237,643,687		9.54 %	\$ 319,141,679		10.59 %

* The figures above are totals of parcels with equalized assessed valuation of \$100,000 and over as recorded in the County Assessor's office. They were compiled from a meticulous page by page search of such records. It is possible, however, that certain parcels have been overlooked.

Source: Office of the Cook County Clerk

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>General Obligation Debt Certificates</u>	<u>Installment Contract</u>	<u>Notes Payable</u>	<u>Fire Protection Notes</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2019	\$ -	\$ 22,227,890	\$ 474,096	\$ 1,036,424	\$ -	\$ 23,738,410	0.81 %	\$ 347
2018	-	23,072,402	596,704	761,401	-	24,430,507	0.90	374
2017	-	23,821,914	715,568	834,198	-	25,371,680	0.96	384
2016	-	24,486,426	830,803	-	-	25,317,229	0.97	383
2015	1,171,375	25,065,938	942,519	-	-	27,179,832	1.07	413
2014	2,295,233	25,570,450	1,050,824	-	-	28,916,507	1.19	439
2013	3,289,091	26,000,737	-	-	-	29,289,828	1.22	445
2012	4,202,949	26,405,249	-	-	-	30,608,198	1.12	408
2011	5,071,807	-	-	-	-	5,071,807	0.19	68
2010	5,805,665	-	-	787,330	346,000	6,938,995	0.25	93

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Debt</u>	<u>Less Amount Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>
2019	\$ 22,227,890	\$ -	\$ 22,227,890	0.22 %
2018	23,072,402	-	23,072,402	0.22
2017	23,821,914	-	23,821,914	0.27
2016	24,486,426	-	24,486,426	0.29
2015	26,237,313	-	26,237,313	0.30
2014	27,865,683	-	27,865,683	0.31
2013	29,289,828	-	29,289,828	0.32
2012	30,608,198	-	30,608,198	0.30
2011	5,071,807	-	5,071,807	0.04
2010	5,805,665	822,203	4,983,462	0.04

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

(1) See the Schedule of Assessed Valuations, Tax Rates, Extensions and Collections for property value data.

See independent auditor's report.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2019

	2018 Equalized Assessed Valuation	Outstanding Debt	Applicable to District	
			Percent	Amount
Overlapping agencies:				
Cook County	\$ 158,166,591,583	\$ 2,803,851,750 (3)	1.576 %	\$ 44,188,704
Cook County Forest Preserve	158,166,591,583	140,990,000	1.576	2,222,002
Metropolitan Water Reclamation District	155,390,213,727	2,274,859,669 (1)	1.604	36,488,749
Municipalities:				
Village of Homer Glen	953,109,718	5,050,000	0.018	909
Village of Orland Park and Library	2,280,720,423	55,080,000	96.547	53,178,088
Park District:				
Tinley Park Park District	1,371,062,674	1,023,000	5.286	54,076
Schools:				
School District #135	2,162,251,478	9,860,000 (2)	99.802	9,840,477
School District #146	638,572,244	21,840,000	26.994	5,895,490
High School District #230	4,861,151,282	5,595,000	51.262	2,868,109
Community College #524	10,104,799,139	47,410,000 (3)	24.661	<u>11,691,780</u>
Total overlapping governmental activities debt				166,428,384
Direct debt:				
Orland Fire Protection District	2,492,376,691	23,738,410	100.000	<u>23,738,410</u>
Total direct and overlapping governmental activities debt				<u>\$ 190,166,794</u>

(1) Includes IEPA Revolving Loan Fund Bonds.

(2) Excludes outstanding debt certificates.

(3) Excludes outstanding principal amounts of General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

Note: Overlapping governments are those that coincide at least in part, with the geographic boundaries of the District. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Office of the Cook County Clerk, Cook County Department of Revenue, and Treasurer of the Metropolitan Water Reclamation District of Greater Chicago.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for December 31, 2019

Assessed value	<u>\$ 2,492,376,691</u>
Debt limit (5.75% of assessed value)	143,311,660
Total net debt applicable to limit	<u>23,738,410</u>
Legal debt margin	<u>\$ 119,573,250</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>16.5642 %</u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt limit	\$ 147,035,015	\$ 128,563,070	\$ 122,453,472	\$ 125,965,151	\$ 129,272,547	\$ 136,769,052	\$ 148,322,599	\$ 173,549,348	\$ 173,488,307
Total net debt applicable to limit	<u>24,430,507</u>	<u>25,371,680</u>	<u>25,317,229</u>	<u>27,179,832</u>	<u>28,916,507</u>	<u>29,289,828</u>	<u>30,880,000</u>	<u>5,025,000</u>	<u>6,883,330</u>
Legal debt margin	<u>\$ 122,604,508</u>	<u>\$ 103,191,390</u>	<u>\$ 97,136,243</u>	<u>\$ 98,785,319</u>	<u>\$ 100,356,040</u>	<u>\$ 107,479,224</u>	<u>\$ 117,442,599</u>	<u>\$ 168,524,348</u>	<u>\$ 166,604,977</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>16.6154 %</u>	<u>19.7348 %</u>	<u>20.6750 %</u>	<u>21.5773 %</u>	<u>22.3686 %</u>	<u>21.4155 %</u>	<u>20.8195 %</u>	<u>2.8954 %</u>	<u>3.9676 %</u>

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Income (1)</u>	<u>Unemployment Rate</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Formal Schooling (1)</u>	<u>School Enrollment (2)</u>
2019	68,500	\$ 2,920,703	\$ 42,638	3.30 %	46.5	14	7,989
2018	65,394	2,710,254	41,445	3.30	46.2	14	7,986
2017	66,046	2,645,876	40,061	3.30	46.2	14	8,041
2016	66,046	2,617,469	39,631	4.40	46.1	14	8,134
2015	65,868	2,548,960	38,698	5.00	45.0	14	8,313
2014	65,879	2,427,444	36,847	5.60	45.0	14	8,468
2013	65,879	2,396,283	36,374	6.70	45.0	14	8,602
2012	75,000	2,728,050	36,374	7.30	45.0	14	8,793
2011	75,000	2,728,050	36,374	8.20	45.0	14	8,956
2010	75,000	2,728,050	36,374	8.80	45.0	14	9,100

Data Sources:

(1) Derived from the U.S. Census Bureau (most recent data).

(2) Derived from Illinois State Board of Education School Report Cards.

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
PRINCIPAL EMPLOYERS
DECEMBER 31, 2019**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2018</u>			<u>2009</u>		
		<u>Approximate Number Employed</u>	<u>Rank</u>	<u>Percentage of Total District Employment</u>	<u>Approximate Number Employed</u>	<u>Rank</u>	<u>Percentage of Total District Employment</u>
School District 135	Elementary school (K-8)	725	1	2.50 %	785	1	3.00 %
Jewel/Osco Food Store	Supermarket and drug store	500	2	1.70	540	2	2.10
High School District #230	High school (9-12)	325	3	1.10	341	4	1.30
Panduit Corporation	Manufacturer of communication and telecommunications products	300	4	1.00	402	3	1.50
Darvin Furniture	Furniture dealer - retail	300	4	1.00	240	7	0.90
Lowe's Home Improvement	Home center	300	4	1.00	-	-	-
Robert Morris University	Private University	300	4	1.00	-	-	-
Georgios Banquets & Hotel	Events & hotel accommodations	275	5	0.90	-	-	-
Lifetime Fitness	Health club	250	6	0.90	-	-	-
The Horton Group	Insurance agents, brokers & service	246	7	0.80	-	-	-
Carson Pirie Scott	Retail department store	-	-	-	306	5	1.20
J.C. Penney	Retail department store	-	-	-	305	6	1.20
Target	Discount store	-	-	-	237	8	0.90
Macy's	Retail department store	-	-	-	204	9	0.80
Palos Primary Care	Healthcare services	-	-	-	203	10	0.80

Note: Percentage of total District employment is based on amounts reported by Illinois Department of Employment Security.

Note: 2018 is the most current information available.

Source: Phone survey

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Sworn Personnel - Full-time:										
Chief Officers	7	6	5	5	6	6	6	6	7	7
Program Supervisor Lieutenants	3	3	3	3	3	3	3	3	3	3
Lieutenants/Paramedics	24	24	24	23	23	24	26	26	27	25
Lieutenants/EMT-Bs	-	-	-	1	1	4	4	4	4	5
Program Supervisor Engineers	-	-	-	-	-	-	-	-	-	1
Engineers/Paramedics	24	24	24	24	24	29	30	30	30	30
Firefighters/Paramedics	60	59	59	55	56	50	44	38	38	41
Firefighters/EMT-Bs	1	1	1	2	2	3	3	2	2	2
Total Sworn Personnel - Full-Time	119	117	116	113	115	119	116	109	111	114
Sworn Personnel - Fill-in:										
Sworn Personnel - Fill-In	7	7	7	7	7	7	5	15	14	10
Total Sworn Personnel	126	124	123	120	122	126	121	124	125	124
Support Services and Overtime:										
Administration	8	9	9	8	9	8	8	8	7	10
Fire Prevention and Public Education	4	4	4	4	4	4	3	5	5	6
Communications	14	12	11	14	14	14	15	15	15	15
Training and Safety	3	4	2	2	2	1	2	2	1	1
EMS	1	1	1	1	1	1	1	1	1	1
Specialty Teams	1	1	1	2	1	1	2	1	1	1
Maintenance	4	5	5	5	5	5	4	4	4	4
Total Support Services and Overtime	35	36	33	36	36	34	35	36	34	38
Total	161	160	156	156	158	160	156	160	159	162

Source: District records

See independent auditor's report.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Activity:										
Fire/Rescue	3,363	3,249	3,673	3,917	3,855	3,931	3,643	2,599	3,173	3,280
EMS	<u>7,303</u>	<u>6,470</u>	<u>6,170</u>	<u>6,043</u>	<u>5,408</u>	<u>5,185</u>	<u>4,856</u>	<u>5,794</u>	<u>4,942</u>	<u>4,756</u>
Total call volume	<u>10,666</u>	<u>9,719</u>	<u>9,843</u>	<u>9,960</u>	<u>9,263</u>	<u>9,116</u>	<u>8,499</u>	<u>8,393</u>	<u>8,115</u>	<u>8,036</u>

Source: District records

See independent auditor's report.

SINGLE AUDIT SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable District President and Board of Directors of Trustees
Orland Fire Protection District, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary funds of Orland Fire Protection District, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of Orland Fire Protection District, Illinois, and have issued our report thereon dated June 12, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Orland Fire Protection District, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Orland Fire Protection District, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Orland Fire Protection District, Illinois' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orland Fire Protection District, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mudley & Co., LLP

Orland Park, Illinois
June 12, 2020

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable District President and Board of Trustees
Orland Fire Protection District, Illinois

Report on Compliance for Each Major Federal Program

We have audited Orland Fire Protection District, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Orland Fire Protection District, Illinois' major federal programs for the year ended December 31, 2019. Orland Fire Protection District, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Orland Fire Protection District, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Orland Fire Protection District, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Orland Fire Protection District, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, Orland Fire Protection District, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

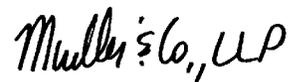
Report on Internal Control over Compliance

Management of Orland Fire Protection District, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Orland Fire Protection District, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Orland Fire Protection District, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Orland Park, Illinois
June 12, 2020

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Homeland Security Passed through Cook County Homeland Security Grant Program				
2016 UASI Training Programs (M)	97.067	2016OFPD	\$ -	\$ 1,437,191
2017 UASI Training Programs (M)	97.067	2017OFPD	<u>-</u>	<u>488,422</u>
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 1,925,613</u>

(M) - Major program

See independent auditor's report and notes to schedule of expenditures of federal awards.

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award grant activity of Orland Fire Protection District, Illinois (OFPD) under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The OFPD has elected to use the 10-percent de minimis cost rate.

NOTE 4. LOANS OR LOAN GUARANTEES

During the year ended December 31, 2019, OFPD received no loans, loan guarantees or other federal assistance for the purpose of administering federal programs.

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: UNMODIFIED

Internal control over financial reporting:

- Material weaknesses identified? Yes None reported
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes None reported
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.067	UASI Training Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDING DECEMBER 31, 2019**

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER: NONE 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context

6. Effect

7. Cause

8. Recommendation

9. Management's response

ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDING DECEMBER 31, 2019

Finding Number

Condition

Current Status

NONE

**ORLAND FIRE PROTECTION DISTRICT, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
YEAR ENDING DECEMBER 31, 2019**

Corrective Action Plan

Finding No.: NONE

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person:

Management Response: