

MOKENA FIRE PROTECTION DISTRICT

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
MAY 31, 2023**

Prepared By:

HEARNE & ASSOCIATES, P.C.
Certified Public Accountants &
Business Consultants

Mokena Fire Protection District, Illinois

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INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mokena Fire Protection District, Illinois as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mokena Fire Protection District as of May 31, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

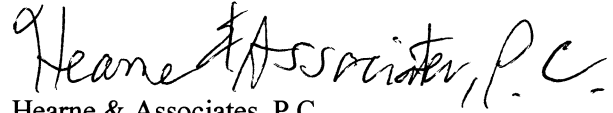
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information,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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mokena Fire Protection District Illinois' basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance thereon.

September 25, 2023
Mokena, Illinois


Hearne & Associates, P.C.
Certified Public Accountants

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Fire Protection District's financial statements (beginning on page 13).

Financial Highlights

Net Position - The Fire Protection District's total net position at year-end was \$367,404, an increase of \$1,159,882 during the current fiscal year.

General Fund Summary - The overall revenues of the fund increased in the current year by \$277,703. This is primarily due to an increase in grant revenue of \$124,133. The expenditures of the general fund decreased in the current year by \$85,764. This is mainly the result of decreased overtime expenses.

Budget Summary - Actual expenditures were less than budgeted amounts in the General, Ambulance, Capital Projects, and Tort Liability Funds.

Debt Outstanding - During the fiscal year, the District paid down long-term obligations such as a note payable in the amount of \$145,437 and \$155,000 of its outstanding debt.

Fiduciary Fund Summary - The Fire Protection District's Fire Fighters' pension trust fund reported an increase of \$402,748 (1.71%) in fund balance for the current fiscal year.

Using the Financial Section of this Comprehensive Annual Report

The management of the Mokena Fire Protection District offers readers of the Fire Protection District's Financial Statements, this narrative overview and analysis of the financial activities of the Fire Protection District for the fiscal year ended May 31, 2023. This correspondence is intended to serve as an introduction to the Fire Protection District's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements (see pages 13-14) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted net position") is designed to be similar to bottom line results for the Fire Protection District and its governmental and business-type activities. This statement combines and consolidates the governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 14) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services to various business-type activities.

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

The government-wide financial statements distinguish functions of the Fire Protection District that are principally supported by taxes. The Fire Protection District does not operate any business-type activities.

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 Fire Protection 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 Fire Protection District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 near-term financing requirements.

Because the focus of governmental funds is more narrow 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 Fire Protection District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fire Protection District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the three major funds, General, Ambulance and Capital Projects. The aggregate information is presented in the nonmajor funds column and consists of the Social Security Fund, Tort Fund, and the Foreign Fire Insurance Fund.

The Fire Protection District adopts an annual appropriated budget for the General, Ambulance, Tort and Social Security funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, or other governmental units, and/or other funds. The Fiduciary Fund is the Firefighters' Pension Fund. The basic fiduciary fund financial statements are presented on pages 20-21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Basic Financial Statements. The Notes to the Financial Statements begin on page 22.

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

Other Information

In addition to the Basic Financial Statements and accompanying notes, this report also presents certain required supplementary information beginning on page 43. This includes the funding progress for the Firefighters' Pension Fund and budgetary information of the District's major governmental funds. This report also includes combining and individual fund statements and schedules beginning on page 55. This includes information for the non-major governmental funds and the statistical section.

Financial Analysis of the Fire Protection District as a Whole

Statement of Net Position

The Statement of Net Position serves over time as a useful indicator of a government's financial position. In the case of the Fire Protection District, assets and deferred outflows were more than liabilities and deferred inflows by \$367,404 as of May 31, 2023.

A significant portion of the Fire Protection District's net position reflects its investment in capital assets (i.e., land, land improvements, buildings, and vehicles), less any related debt used to acquire those assets that are still outstanding. The Fire Protection District uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Fire Protection District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Condensed Statement of Net Position

	2023	2022
Current Assets	\$11,939,220	\$10,597,725
Non Current Assets	5,576,936	5,930,200
Total Assets	17,516,156	16,527,925
Deferred Outflows	4,624,687	2,796,707
Current Liabilities	669,076	716,637
Non Current Liabilities	9,841,264	7,594,955
Total Liabilities	10,510,340	8,311,592
Deferred Inflows	11,263,099	11,805,518
Net Position:		
Net Investment in Capital Assets	4,635,200	4,688,026
Restricted	3,294,727	2,843,276
Unrestricted	(7,562,523)	(8,323,780)
Total Net Position	\$ 367,404	\$ (792,478)

For more detailed information see the Statement of Net Position (page 13).

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

The Fire Protection District's combined net position (which is the Fire Protection District's equity) increased to \$367,404 from (\$792,478) primarily due to a large decrease in Net Other Post-Employment Benefits expenses compared to the prior year. The Fire Protection District's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, was (\$7,562,523).

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital - which will: (a) reduce current assets and increase capital assets, and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt - which will: (a) reduce current assets and reduce long-term debt, and (b) reduce unrestricted net position and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and invested in capital assets, net of debt.

Current Year Impacts

Assets increased by \$988,231 (5.98%) from the prior year and liabilities increased by \$2,198,748 (26.40%). The large increase in assets was largely due to an increase in cash and investments of \$876,484. The large increase in liabilities is due to an increase of \$2,764,135 in Net Pension Liability.

The Fire Protection District's total net position increased by \$1,159,882. In the prior year, the net position decreased by \$1,186,983. The changes in net position are further analyzed in the next section.

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

Changes in Net Position

The following chart compares the revenue and expenses for the current fiscal year:

Table 2
Condensed Statement of Activities

	2023	2022
REVENUES		
Program Revenues		
Charges for Services	\$ 1,091,646	\$1,188,812
Operating Grants and Contributions	141,610	58,763
General Revenues		
Property Taxes	7,142,857	6,989,052
Replacement Taxes	44,277	39,173
Interest Earnings	165,855	7,657
Other	253,826	192,364
Gain on Sale of Assets	59,085	-
Total Revenues	8,899,156	8,475,821
EXPENSES		
Fire and Rescue	7,695,477	9,608,306
Interest on Debt	43,797	54,498
Total Expenses	7,739,274	9,662,804
Change In Net Position	1,159,882	(1,186,983)
Beginning Net Position,	(792,478)	394,505
Ending Net Position	\$ 367,404	\$ (792,478)

There are eight basic impacts on revenues and expenses as reflected below:

Normal Impacts

Revenues:

Economic Condition - which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue, as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Fire Protection District Board Approved Rates - while certain tax rates are set by statute, the Fire Protection District Board has significant authority to impose and periodically increase/decrease other rates.

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) - certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment Income - the Fire Protection District's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

Expenses:

Introduction of New Programs - within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel - changes in service demand may cause the Fire Protection District Board to increase/decrease authorized staffing.

Salary Increases (annual adjustments and merit) - the ability to attract and retain human and intellectual resources requires the Fire Protection District to strive to approach a competitive salary range position in the marketplace.

Inflation - while overall inflation appears to be reasonably modest, the Fire Protection District is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Revenues:

For the fiscal year ended May 31, 2023, revenues from all activities totaled \$8,899,156, a \$423,335 (4.99%) increase from 2022. The increase is mainly due to increases in property taxes, grants and interest income. The Fire Protection District has a very diversified revenue structure and depends on several key revenue sources to help pay for the services it provides. Property taxes are up \$153,805 for the year and charges for services decreased \$97,166 (decrease in revenue from ambulance billing). Other revenue increased \$61,462 and the district recognized \$59,085 in revenue from gain on sale of assets.

Expenses:

The Fire Protection District's total expenses for all activities for the year ended May 31, 2023 and 2022 were \$7,739,274 and \$9,662,804, respectively, which was a decrease of \$1,923,530. The primary reason is a decrease in the Other Post-Employment Benefit expense of \$2,091,769 from the prior year to a benefit of \$214,585 in the current year.

Financial Analysis of the Fire Protection District's Funds

Governmental Funds

As of May 31, 2023, the governmental fund balances (as presented on the balance sheet on page 15) reported a combined fund balance of \$4,207,931 compared to \$3,174,589 in the prior year. Revenues exceeded expenditures by \$1,033,342 in 2023.

The General Fund experienced an increase in fund balance of \$581,888. This increase is due to an increase in revenues compared to the prior year and a decrease in the amount transferred to the Capital Projects Fund.

The Ambulance Fund experienced an increase in fund balance of \$540,518. This increase is due mainly to transfers to the Capital Projects Fund being lower than amounts transferred from the prior year.

The Capital Projects Fund has experienced a decrease in fund balance of \$289,148. The decrease is due mainly to debt payments and capital outlay exceeding amounts that were transferred from other funds.

The Tort Liability Fund experienced an increase of \$179,705 in fund balance. The increase is due to revenues from property taxes exceeding expenses.

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

Major Fund Budgetary Highlights

During the fiscal 2023 budget year, the District did not amend the annual operating budget.

The 2023 annual budget for the District's general fund identified the budgeted level of spending at \$2,681,250. Actual expenditures were less than budgeted expenditures by approximately 8.83% or \$236,982. Actual revenues were more than budgeted revenues in the general fund by \$394,862 or approximately 14.83%.

The 2023 annual budget for the District's ambulance fund identified the budgeted level of spending at \$3,554,250. Actual expenditures were less than budgeted expenditures by approximately 11.23% or \$399,052. Actual revenues were more than budgeted revenues in the ambulance fund by \$189,036 or approximately 5.29%.

The 2023 annual budget for the District's capital projects fund identified the budgeted level of spending at \$1,300,000. Actual expenditures were less than budgeted expenditures by approximately 65.22% or \$847,851.

The 2023 annual budget for the District's tort liability fund identified the budgeted level of spending at \$838,675. Actual expenditures were less than budgeted expenditures by approximately 21.96% or \$184,200. Actual revenues were more than budgeted revenues in the capital projects fund by \$4,820 or approximately .57%.

The 2023 annual budget for the District's pension fund identified the budgeted level of spending at \$1,023,796. Actual expenditures were less than budgeted expenditures by approximately .62% or \$6,370. Actual revenues were less than budgeted revenues in the pension fund by \$6,370 or approximately .62%.

Capital Assets

At the end of the fiscal year 2023, the Fire Protection District had a combined total of capital assets of \$5,576,936 invested in a broad range of capital assets including buildings, improvements, vehicles, machinery, and equipment. The main activity for capital assets during the year were the purchases of equipment and vehicles in the amount of \$154,951, the sale and disposal of \$432,375, and depreciation expense of \$404,300. (See Table 3 below. Also, see Note 4 to the financial statements for further information regarding capital assets.)

Table 3
Total Capital Assets at Year End
Net of Depreciation

	Balance	Balance
	May 31,	May 31,
	2022	2023
Nondepreciable Assets	\$ 665,000	\$ 665,000
Building and Improvements	2,697,959	2,612,206
Equipment and Vehicles	2,567,241	2,299,730
Total Capital Assets	\$5,930,200	\$ (353,264) \$5,576,936

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

Debt Outstanding

Debt activity for the District during the fiscal year consisted of a payment of \$155,000 for the 2010 Build America Bonds. The balance of the bonds as of May 31, 2023 is \$330,000. The District also paid debt for a note payable in the amount of \$145,437 in current year. See Note 5 to the financial statements for detail of debt activity and debt outstanding as of May 31, 2023.

Table 4
Debt Outstanding

	Balance Ending	Debt Outstanding			Balance Ending	Due within
	May 31, 2022	Issuances	Retirements	May 31, 2023	a year	
2010 Build America Bonds	\$ 485,000	\$ -	\$ 155,000	\$ 330,000	\$ 160,000	
Note Payable	757,174	-	145,437	611,737	148,710	
Net Pension Liability	1,507,854	2,764,135	-	4,271,989	-	
Net OPEB Liability	4,666,551	-	214,585	4,451,966	-	
Compensated Absences	478,814	5,469	-	484,283	-	
Total	\$ 7,895,393	\$ 2,769,604	\$ 515,022	\$ 10,149,975	\$ 308,710	

Economic Factors

The Mokena Fire Protection District (MFPD) is a progressive, highly trained organization that is dedicated to providing the best possible service to the communities it serves. The MFPD is working diligently to keep up with current technology and give its personnel the equipment needed to supply the quality of service they are accustomed to providing in the safest and most cost-effective manner available. The MFPD provides emergency medical care and transport, fire suppression, fire prevention, public education, technical rescue, and hazardous materials services.

Unlike a municipal Fire Department, the MFPD is an independent taxing body and is faced with unique challenges when it comes to generating revenues. The MFPD's primary source of funding is through property taxes, with falling overall EAV's (Estimated Assessed Valuations). The MFPD faces several valid financial hardships, in that the State of Illinois has implemented a property tax cap. The property tax cap imposed upon the MFPD creates a situation which limits the property tax income to the MFPD to the Consumer Price Index (CPI), not to exceed 5%. Within the MFPD's jurisdiction are several tax-exempt group homes for the cognitively challenged, a large tax-exempt long-term care facility, four schools with 2,500 enrolled students age eight and below are also located within the MFPD's jurisdiction. These facilities place a tremendous burden on the MFPD, while contributing little or no tax funding to support the MFPD's operation.

Presently, an overwhelming percent of our total operating budget is earmarked for personnel costs (wages, benefits, etc.) and fixed operating expenses, which leaves a smaller portion of our budget for discretionary purchases. In light of rising costs beyond the control of the MFPD such as employee health care costs, worker's compensation insurance, pension contributions, etc., the MFPD is challenged to simply maintain current service levels.

As a result of a direct recommendation of previous audits, the District has experienced success with the decision to secure third-party accounting oversight and third-party payroll oversight. The Trustees have taken this overall pro-active approach to succession planning to ensure the District continues to provide the best service to the stakeholders of their communities - the taxpayers. The Trustees of the District have implemented many plans and programmatic changes over the years, with extensive training to reinforce these changes, in order to continue the level of excellence they have enjoyed.

Mokena Fire Protection District, Illinois
Management's Discussion and Analysis
May 31, 2023

Future Events

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the Fire Protection District's financial position (net position) or results of operations (revenues, expenses, and other changes in net position) in the next fiscal year.

Contacting the Fire Protection District's Financial Management

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Fire Protection District's finances and to demonstrate the Fire Protection District's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Mokena Fire Protection District, 19853 S. Wolf Road, Mokena, Illinois 60448.

BASIC FINANCIAL STATEMENTS

Mokena Fire Protection District, Illinois

Statement of Net Position

May 31, 2023

	<u>Governmental Activities</u>
Assets	
Cash	\$ 2,486,260
Investments	2,012,711
Property Taxes Receivable	6,945,400
Ambulance Billings Receivable	494,849
Capital Assets not being depreciated	665,000
Capital Assets being depreciated, net	4,911,936
Total Assets	<u>17,516,156</u>
Deferred Outflows of Resources	
Related to Pensions	4,624,687
Total Deferred Outflows of Resources	<u>4,624,687</u>
Liabilities	
Accounts Payable	14,813
Accrued Interest	3,257
Accrued Salaries	59,492
Accrued Benefits	127,603
Reimbursement Liability	155,201
Long-term obligations, due within one year	308,710
Long-term obligations, due in more than one year	9,841,264
Total Liabilities	<u>10,510,340</u>
Deferred Inflows of Resources	
Unavailable Property Taxes	6,945,400
Collections	556,383
Related to Pensions	3,761,316
Total Deferred Inflows of Resources	<u>11,263,099</u>
Net Position	
Net Investment in Capital Assets	4,635,200
Restricted for:	
Capital Projects	1,467,992
Ambulance Fund	1,202,969
Tort Liability/Insurance	294,039
Foreign Fire Insurance	58,879
Employee Benefits	270,848
Unrestricted	(7,562,523)
Total Net Position	<u>\$ 367,404</u>

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Statement of Activities
For the Year Ended May 31, 2023

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Public Safety:				
Fire and Rescue	\$ 7,695,477	\$ 1,091,646	\$ 141,610	\$ (6,462,221)
Interest on Debt	43,797	-	-	(43,797)
 Total Governmental Activities	 \$ 7,739,274	 \$ 1,091,646	 \$ 141,610	 \$ (6,506,018)
		General Revenues:		
		Taxes:		
		Property		7,142,857
		Replacement		44,277
		Investment Earnings		165,855
		Reimbursements		168,955
		Miscellaneous		84,871
		Gain on Sale of Assets		59,085
		Total General Revenues		7,665,900
		Change in Net Position		1,159,882
		Net Position, Beginning of Year		(792,478)
		Net Position, End of Year		\$ 367,404

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Balance Sheet
Governmental Funds
May 31, 2023

Major Governmental Funds

	General	Ambulance	Capital Projects	Tort Liability	Pension	Other Governmental Funds	Total
<u>Assets</u>							
Cash and Investments	\$ 1,190,541	\$ 1,138,369	\$ 1,467,992	\$ 361,684	\$ -	\$ 340,385	\$ 4,498,971
Receivables							
Property Taxes	2,586,730	2,584,669	-	719,141	950,270	104,590	6,945,400
Ambulance Billing	-	494,849	-	-	-	-	494,849
Total Assets	<u>\$ 3,777,271</u>	<u>\$ 4,217,887</u>	<u>\$ 1,467,992</u>	<u>\$ 1,080,825</u>	<u>\$ 950,270</u>	<u>\$ 444,975</u>	<u>\$ 11,939,220</u>
<u>Liabilities</u>							
Accounts Payable	\$ 14,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,813
Accrued Salaries	22,467	35,171	-	903	-	951	59,492
Reimbursement Liability	-	155,201	-	-	-	-	155,201
Total Liabilities	<u>37,280</u>	<u>190,372</u>	<u>-</u>	<u>903</u>	<u>-</u>	<u>951</u>	<u>229,506</u>
<u>Deferred Inflows of Resources</u>							
Deferred Revenue							
Property Tax	2,586,730	2,584,669	-	719,141	950,270	104,590	6,945,400
Collections	240,057	239,877	-	66,742	-	9,707	556,383
Total Deferred Inflows	<u>2,826,787</u>	<u>2,824,546</u>	<u>-</u>	<u>785,883</u>	<u>950,270</u>	<u>114,297</u>	<u>7,501,783</u>
<u>Fund Balances</u>							
Restricted							
Ambulance	-	1,202,969	-	-	-	-	1,202,969
Capital Projects	-	-	1,467,992	-	-	-	1,467,992
Tort Liability	-	-	-	294,039	-	-	294,039
Foreign Fire Insurance	-	-	-	-	-	58,879	58,879
Employee Benefits	-	-	-	-	-	270,848	270,848
Unassigned	913,204	-	-	-	-	-	913,204
Total Fund Balances	<u>913,204</u>	<u>1,202,969</u>	<u>1,467,992</u>	<u>294,039</u>	<u>-</u>	<u>329,727</u>	<u>4,207,931</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,777,271</u>	<u>\$ 4,217,887</u>	<u>\$ 1,467,992</u>	<u>\$ 1,080,825</u>	<u>\$ 950,270</u>	<u>\$ 444,975</u>	<u>\$ 11,939,220</u>

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Reconciliation of the Total Fund Balance of Governmental Funds
to Net Position of Governmental Activities

May 31, 2023

Total Fund Balance of Governmental Funds \$ 4,207,931

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 in governmental funds. 5,576,936

Some items reported in the Statement of Net Position do not require the use of or provide current financial resources and therefore, are not reported in governmental funds. These activities consist of:

Deferred Outflows Relating to Pensions	4,624,687
Deferred Inflows Relating to Pensions	(3,761,316)
Note Payable Obligations	(611,736)
Bonds Payable	(330,000)
Compensated Absences	(484,283)
Accrued Benefits Owed	(127,603)
Net OPEB Liability	(4,451,966)
Net Pension Liability	(4,271,989)

Accrued interest on long-term liabilities is shown as a liability on the net position. (3,257)

Net Position of Governmental Activities \$ 367,404

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Statement of Revenues, Expenditures and Changes in Fund
Balances - Governmental Funds
For the Year Ended May 31, 2023

	Major Government Funds						
	General	Ambulance	Capital Projects	Tort Liability	Pension	Other Governmental	Total
<u>Revenues</u>							
Property Tax	\$ 2,589,170	\$ 2,589,169	\$ -	\$ 834,180	\$ 1,017,426	\$ 112,912	\$ 7,142,857
Replacement Tax	44,277	-	-	-	-	-	44,277
Ambulance Billing	-	1,083,342	-	-	-	-	1,083,342
Permits and Fees	1,375	-	-	-	-	-	1,375
Grants	141,610	-	-	-	-	-	141,610
Fleet Maintenance & Repair	7,529	-	-	-	-	-	7,529
Reimbursements	168,122	833	-	-	-	-	168,955
Interest Income	88,253	77,602	-	-	-	-	165,855
Foreign Fire Insurance Revenue	-	-	-	-	-	52,397	52,397
Miscellaneous Revenues	17,104	14,770	-	-	-	-	31,874
Total Revenues	3,057,440	3,765,716	-	834,180	1,017,426	165,309	8,840,071
<u>Expenditures</u>							
Current:							
Salaries	1,833,026	2,578,211	-	51,640	-	-	4,462,877
Pension Expense	-	-	-	-	1,017,426	-	1,017,426
Repairs and Maintenance	50,896	38,684	-	92,188	-	-	181,768
Insurance	415,698	337,388	-	362,160	-	96,486	1,211,732
Gas & Diesel	24,661	26,740	-	-	-	-	51,401
Supplies	13,873	20,749	-	49,375	-	19,084	103,081
Utilities and Phone	22,106	24,714	-	-	-	7,112	53,932
Communications	46,952	58,605	-	-	-	-	105,557
Medicare & Social Security	-	-	-	-	-	71,043	71,043
Fire Prevention	10,133	7,762	-	795	-	-	18,690
General Expenses	26,923	62,345	-	98,317	-	37,523	225,108
Debt Services							
Principal Payments	-	-	300,438	-	-	-	300,438
Interest and Other Expenses	-	-	43,797	-	-	-	43,797
Capital Outlay	-	-	107,914	-	-	14,965	122,879
Total Expenditures	2,444,268	3,155,198	452,149	654,475	1,017,426	246,213	7,969,729

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Statement of Revenues, Expenditures and Changes in Fund
Balances - Governmental Funds
For the Year Ended May 31, 2023

	<u>General</u>	<u>Ambulance</u>	<u>Capital Projects</u>	<u>Tort Liability</u>	<u>Pension</u>	<u>Other Governmental</u>	<u>Total</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	613,172	610,518	(452,149)	179,705	-	(80,904)	870,342
<u>Other Financing Sources (Uses)</u>							
Transfer In (Out)	(31,280)	(70,000)	-	-	-	101,280	-
Proceeds from Sale of Assets	-	-	163,000	-	-	-	163,000
Total Other Financing Sources (Uses)	(31,280)	(70,000)	163,000	-	-	101,280	163,000
Net Change in Fund Balances	581,892	540,518	(289,149)	179,705	-	20,376	1,033,342
Fund Balances, Beginning of Year	331,312	662,451	1,757,141	114,334	-	309,351	3,174,589
Fund Balances, End of Year	<u>\$ 913,204</u>	<u>\$ 1,202,969</u>	<u>\$ 1,467,992</u>	<u>\$ 294,039</u>	<u>\$ -</u>	<u>\$ 329,727</u>	<u>\$ 4,207,931</u>

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund
Balances to the Statement of Activities
May 31, 2023

Net Change in Fund Balances - Governmental Funds \$ 1,033,342

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

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

Assets Capitalized	154,951
Depreciation Expensed	(404,300)

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. 300,438

The issuance of new debt is recorded as other financing sources in the governmental funds, but

Governmental funds do not report the change in certain long-term assets and liabilities. The change has been recorded in the Statement of Net Position:

Change in Compensated Absences	(5,469)
Change in Accrued Benefits	(36,337)
Change in Interest Payable	1,584
Change in the Net Pension Liability	5,003
Change in the Net OPEB Liability	214,585
Loss on Sale of Equipment	<u>(103,915)</u>

Change in net position of governmental activities \$ 1,159,882

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Fiduciary Fund
Firefighters' Pension Fund
Statement of Fiduciary Net Position
For the Year Ended May 31, 2023

	<u>Pension Trust Fund</u>
<u>Assets</u>	
Cash and Equivalents	\$ 1,639,681
Investments, at Fair Value	
Pooled Investments	22,301,696
Prepaid Expenses	<u>1,272</u>
Total Assets	<u>23,942,649</u>
<u>Liabilities</u>	
Accounts Payable	<u>2,175</u>
<u>Net Position Held in Trust</u>	
Restricted for Pension Benefits	<u>\$ 23,940,474</u>

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Fiduciary Fund

Firefighters' Pension Fund

Statement of Changes in Fiduciary Net Position

For the Year Ended May 31, 2023

	<u>Pension Trust Fund</u>
<u>Additions</u>	
Contributions	
Employer Contributions	\$ 1,022,892
Employee Contributions	309,862
Total Contributions	<u>1,332,754</u>
Investment Income	
Interest and Dividend Income	276,677
Net Change in Fair Value of Investments	(426,295)
Total Investment Income (Loss)	<u>(149,618)</u>
Less: Investment Expenses	<u>(18,116)</u>
Net Investment Income (Loss)	<u>(167,734)</u>
Total Additions	<u>1,165,020</u>
<u>Deductions</u>	
Benefit Payments	718,459
Administrative and Other Expenses	43,813
Total Deductions	<u>762,272</u>
Net Increase (Decrease)	402,748
Net Position Held in Trust for Pension Benefits	
Beginning of Year	<u>23,537,726</u>
End of Year	<u>\$ 23,940,474</u>

See the accompanying notes to the financial statements

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Mokena Fire Protection District (the "District") provides fire suppression, emergency medical service, fire prevention, and other specialized services for the residents of the District. The District is governed by a five-member board. The District is a corporation of the State of Illinois headquartered in Mokena, Illinois, Will County, and duly chartered pursuant to the Illinois Fire Protection Act, 70 ILCS 705.

The District covers an area of approximately 12 1/2 square miles and serves a large portion of the Village of Mokena, small portions of the Villages of Frankfort, Orland Park, Homer Glen, and unincorporated areas of Frankfort Township.

The accounting policies of the Mokena Fire Protection District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either: (a) the ability to impose by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

The accompanying financial statements present the Mokena Fire Protection District (the primary government) and its component units. The financial data of the component units are included in the District's reporting entity because of the significance of their operational or financial relationship with the District.

The District has concluded that the Foreign Fire Insurance Fund meets the criteria of Statement 61 for inclusion as a blended component unit. Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the District's Board; or the component unit provides services entirely to the District. This component unit's funds are blended into those of the District's governmental funds for presentation in these financial statements.

The District has concluded that the Firefighters' Pension Fund meets the criteria of Statement 61 for inclusion as a component unit that is fiduciary in nature. The Fund is a separate legal entity with their own management and budget authority. This Fund exists solely to provide pension benefits for the District's firefighters and their beneficiaries. The financial statement of the Pension Fund as of and for the year ended May 31, 2023 is reported as a pension trust fund - fiduciary fund.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Pension Fund is excluded from the government-wide financial statements. The Fund prepared separately issued component unit financial statements. Those separate financial statements may be obtained at 19853 Wolf Rd. Mokena, IL 60448.

B. Basis of Presentation

Government -Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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 at the time liabilities are incurred, regardless of when the related cash flow takes place. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

The Government-Wide Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The effect of material interfund activity has been eliminated from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. Interest on long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Program revenue includes charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items which are not program revenues are reported as general revenues

Fund Financial Statements

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

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

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

-Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental funds is at least five percent of the corresponding total for all governmental funds combined.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

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

Ambulance Fund - The Ambulance Fund accounts for the resources to be used for emergency medical services.

Capital Projects Fund – The Capital Projects Fund accounts for the procurement of resources such as equipment and vehicles.

Tort Fund – The Tort Fund accounts for the resources to be used for liability and unemployment insurance .

Pension Fund – The Pension Fund accounts for the resources to be used for the retirement of the firefighters.

The District reports the following non-major governmental funds:

Social Security Fund
Foreign Fire Insurance Fund
Other Pension Employment Benefits Fund

Governmental Funds (Governmental Activities)

Governmental Funds are used to account for the Fire Protection District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of long-term debt. The ambulance fund has serviced the District's long-term debt. Governmental funds include:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for and reported in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes.

Funds included in this category are:

Ambulance
Tort
Social Security
Foreign Fire Insurance
Other Post-Employment Benefits

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Type

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individual, private organizations, other governments, or other funds. The fund included in this category is:

Firefighters' Pension Fund

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 are met. Operating revenues/expenses include all revenues/expenses directly related to providing water and sewer services. Incidental revenues/expenses related to these services are reported as non-operating.

Government 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except as noted hereinafter. Expenditures generally are when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports deferred and/or unearned revenue on its financial statements. Deferred/unearned revenue arises when potential revenue does not meet both the "measurable" and "available" or "earned" criteria for recognition in the current period. Deferred/unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred/unearned revenue is removed and revenue is recognized.

Differences between the government-wide financial statements and the fund financial statements are briefly explained in reconciliations included in the fund financial statements.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments (including restricted amounts) with original maturities of three months or less when purchased are considered to be cash and cash equivalents.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

All investments are stated at fair value, for both reporting and actuarial purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are categorized within the fair value hierarchy established by GAAP. 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 and Level 3 are significant unobservable inputs.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Buildings and Improvements	20-40 years
Equipment and Furniture	3-20 years

The District capitalizes all assets with a cost of \$5,000 and over and a useful life greater than 1 year.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial 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/expenditures) until then.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet 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 (revenues) until that time. The District reports unavailable revenue from property taxes and amounts related to pensions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Reimbursement Liability

The District is a participant in the Ground Emergency Medical Transport (GEMT) program. The GEMT program allows Illinois fire agencies, that perform emergency medical transports for Medicaid patients, to receive additional funding for unrecovered costs associated with the transports. The District receives federal payments to help supplement the District's operations. The District is then to reimburse the Illinois Department of Healthcare and Family Services (IDHFS) 50% of the funding received. The

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursement Liability is the amount owed to IDHFS. As of May 31, 2023, the District accrued a liability of \$155,201.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay, unused vacation benefits and unused personal days. Upon retirement the eligible unused days accumulated are paid out to the employees. All eligible unused days are accrued in the government-wide financial statements. A liability for these days is reported in the governmental funds only if they are payable and due to employee retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt, and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental activities. Items such as premiums, discounts, and gains or losses on bond sales are capitalized and amortized over the life of the related debt.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. For other long-term obligations, only the portion expected to be financed with available financial resources is reported as a fund liability of a government fund.

Restricted Net Position

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Fire Protection District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Equity

The fund balances of the District's governmental funds are required to be reported using five separate classifications as listed below. The District may not necessarily utilize each classification in a given fiscal year.

- *Non-Spendable - amounts that cannot be spent either because they are either not in spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted - amounts that can be used only for specific purposes because of constitutional provisions, charter requirements, or enabling legislation or because constraints that are externally imposed by creditors, grantors, or laws or regulations or other governments.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of the Fire Protection District (the highest level of decision-making authority for the Fire Protection District). Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.

*Assigned - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Fire Protection District's adopted policy, only the Fire Protection District may assign amounts for specific purposes.

*Unassigned - residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative fund balance in this classification as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Elimination and Reclassification

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

Use of Estimates

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

NOTE 2. PROPERTY TAXES

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by the District Board. Property taxes are recognized as a receivable at the time they are levied. In the governmental funds, since the 2021 tax levy is intended to finance the expenditures for the year ending May 31, 2023, the entire 2022 tax levy has been reflected as deferred revenue as of May 31, 2023. The 2021 property tax levy, together with any prior levy year collections, has been recognized as revenue of the governmental funds for the year ended May 31, 2023. A reduction of collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 2. PROPERTY TAXES (Continued)

The District passed their property tax levy on November 8, 2022. It attaches as an enforceable lien as of January 1, 2023. The installment dates are as follows:

	<u>Cook County</u>	<u>Will County</u>
First Installment Date	March 1, 2023	June 1, 2023
Second Installment Date	TBD	September 1, 2023

NOTE 3. CASH AND INVESTMENTS

As of May 31, 2023, the District had cash and investments on the financial statements consisting of the following:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and Investments	<u>\$ 4,498,971</u>	<u>\$ 23,941,377</u>	<u>\$ 28,440,348</u>

The District maintains a cash and investment pool that is available for use by all funds except the Firefighters' Pension Trust Fund. Each fund type portion of this pool is displayed on the financial statements as "cash and investments". The deposits and investments of the Firefighters' Pension Trust Funds are held separately from other funds.

Illinois statute authorizes the District to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by federal depository insurance. The District may also invest in commercial paper of U.S. Corporations with assets exceeding \$500,000,000 provided that: (a) the obligations are rated with the 3 highest classifications by at least 2 standards rating services and they mature within 180 days from the date of purchase, (b) no more than 25% of any fund is invested in such obligation at any one time, and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

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

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. At year-end, the governmental funds did not hold any investments of this type. The pension trust fund's municipal bonds and government sponsored agencies were all rated Aaa by Moody's. The Corporate Bonds were rated Baa1 through Aaa.

Concentrations: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not formally address this risk. At year-end, none of the District's investments, other than U.S. Government and Agency securities and mutual funds, exceeded more than five percent or more of total net position as of May 31, 2023.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 3. CASH AND INVESTMENTS (Continued)

Investments

At year-end the District has \$2,012,711 in government bonds and certificate of deposits. See the following table for expected maturities of the investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>More Than Ten Years</u>
Certificate of Deposits	\$ 741,325	\$ -	\$ 741,325	\$ -	\$ -
U.S Government and Government Agency Obligations	<u>1,271,386</u>	<u>767,025</u>	<u>504,361</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 2,012,711</u>	<u>\$ 767,025</u>	<u>\$ 1,245,686</u>	<u>\$ -</u>	<u>\$ -</u>

Firefighters' Pension Trust Fund - Investments

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in the IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by the IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2022. A copy of the report can be obtained from IFPIF at 1919 South Holland Avenue, Building A, Suite 237, Lombard, IL, 60418 or at www.ifpif.org.

Deposits

The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand and bank balance totaled \$1,639,681.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy states that all deposits in excess of the FDIC insurable limits be secured by collateral in order to protect deposits from default. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 3. CASH AND INVESTMENTS (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuers, of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy stresses the safety of principal but does not specifically address risk. The U.S. agency securities are rate AAA to BBB+ by the S&P and Not Rate to Aa2 by Moody's. The money market funds are rated AAA. The certificates of deposits are not rated.

Investments

At year-end the Fund has \$22,301,696 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investments could be sold. The Fund may redeem shares by giving notice by 5 p.m. central time on the 1st of every month. Requests properly submitted on or before the 1st of each month will be process for redemption by the 14th of the month. Expected redemptions may be processed at the sole discretion of the IFPIF.

The Illinois Firefighters' Pension Investment Fund, in accordance with GASB Statement 67/68, has implemented the following long-term asset allocation policy. Marquette Associates, acting as IFPIF's general investment consultant has projected the future long-term return assumptions for the asset classes within IFPIF's approved policies.

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25.00%	5.20%
Developed Market Equity (non-US)	13.00%	5.60%
Emerging Market Equity	7.00%	5.50%
Private Equity	10.00%	8.60%
Public Credit	3.00%	1.90%
Private Credit	7.00%	7.00%
Core Fixed Income	9.00%	1.80%
Core Plus Fixed Income	9.00%	2.40%
Short-Term Treasuries	3.00%	0.30%
Real Estate	10.00%	4.90%
Infrastructure	4.00%	5.10%
Total	100.00%	

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 3. CASH AND INVESTMENTS (Continued)

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by the Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Rate of Return

For the year ended May 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (.68%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Pension Fund limits its exposure to interest rate by structuring their portfolio to provide liquidity for all reasonable anticipated operating requirements while providing a reasonable rate of return based on the current market. The Fund's investment policy requires that the average maturity and duration of the portfolio be maintained at approximately five years and range from two to seven.

NOTE 4. CAPITAL ASSETS

A summary of changes in the capital assets for governmental activities of the Fire Protection District for the year ended May 31, 2023, is as follows:

	Balance at <u>May 31, 2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance at <u>May 31, 2023</u>
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 665,000	\$ -	\$ -	\$ 665,000
Total Capital Assets Not Being Depreciated	<u>665,000</u>	<u>-</u>	<u>-</u>	<u>665,000</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	4,287,634	-	-	4,287,634
Equipment & Vehicles	5,480,093	154,951	432,375	5,202,669
Total Capital Assets Being Depreciated	<u>9,767,727</u>	<u>154,951</u>	<u>432,375</u>	<u>9,490,303</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	1,589,675	85,753	-	1,675,428
Equipment & Vehicles	2,912,852	318,547	328,460	2,902,939
Total Accumulated Depreciation	<u>4,502,527</u>	<u>404,300</u>	<u>328,460</u>	<u>4,578,367</u>
Total Capital Assets Being Depreciated, Net	<u>5,265,200</u>	<u>(249,349)</u>	<u>103,915</u>	<u>4,911,936</u>
Capital Assets, Net	<u>\$ 5,930,200</u>	<u>\$ (249,349)</u>	<u>\$ 103,915</u>	<u>\$ 5,576,936</u>

Depreciation expense of \$404,300 was charged to Public Safety - Fire & Rescue in the Statement of Activities.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 5. LONG-TERM OBLIGATIONS

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

	Balance at <u>May 31, 2022</u>	<u>Issuances</u>	<u>Retirements</u>	Balance at <u>May 31, 2023</u>	Principal due <u>within one year</u>
2010 Build America Bonds	\$ 485,000	\$ -	\$ 155,000	\$ 330,000	\$ 160,000
Note Payable Obligation	757,174	-	145,437	611,737	148,710
Net Pension Liability	1,507,854	2,764,135	-	4,271,989	-
Net OPEB Liability	4,666,551	-	214,585	4,451,966	-
Compensated Absences	478,814	5,469	-	484,283	-
Total	<u>\$ 7,895,393</u>	<u>\$ 2,769,604</u>	<u>\$ 515,022</u>	<u>\$ 10,149,975</u>	<u>\$ 308,710</u>

2010 Build America Bonds

The Fire Protection District issued Fire Protection Notes in the amount of \$2,045,000 for the contribution of a new fire station. The notes carry interest rates that vary from 1.50% to 5.20%. Principal is due each year on January 1, with interest payments on January 1 and July 1 of each year and are paid from the Capital Projects Fund. The Ambulance Fund has been used to liquidate this liability. In addition, these notes qualify as Build America Bonds which provide credits to the expected Build America Bond interest:

	Build America			
<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Credits</u>	<u>Total</u>
2024	\$160,000	\$17,820	\$6,237	\$ 171,583
2025	170,000	9,180	3,213	175,967
	<u>\$ 330,000</u>	<u>\$ 27,000</u>	<u>\$ 9,450</u>	<u>\$ 347,550</u>

Note Payable

On June 10, 2020, the Fire Protection District entered into a Note Payable Obligation in the amount of \$1,042,000 to help fund the purchase of additional equipment and vehicles for the District. The District has recognized proceeds as capital assets have been purchased in the Capital Projects Fund. Principal and interest payments will be made from the Capital Projects Fund. In the current year, the District has recognized \$53,989 in proceeds revenue. The Obligation carries an interest rate of 2.25% and has a maturity date of June 10, 2027. The proceeds were used to buy a fire engine, an ambulance, and additional equipment needed. The equipment has an estimated useful life of seven years while the ambulance has an estimated useful life of fifteen years and the fire engine has an estimated useful life of twenty years. The following table shows the future payment obligations:

	Note Payable Payments		
<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$148,707	\$13,845	\$ 162,552
2025	152,056	10,496	162,552
2026	155,477	7,075	162,552
2027	155,497	3,577	159,074
	<u>\$611,737</u>	<u>\$34,993</u>	<u>\$ 646,730</u>

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 5. LONG-TERM OBLIGATIONS (Continued)

Legal Debt Limitations

Based on Illinois Statute 50 ILCS/15b regarding Fire Protection Districts, the Mokena Fire Protection District does not have a legal debt limitation.

NOTE 6. PENSION PLAN

Plan Description

The District contributes to a single employer defined benefit pension plan. Fire sworn personnel are covered by the Firefighters' Pension Plan. The Plan provides retirement benefits as well as death and disability benefits. The Plan is part of the District's financial reporting entity and is included in the District's report as a pension trust fund. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution requirements are governed by Illinois Compiled Statutes and may only be amended by the Illinois legislature. The Firefighters' Pension Fund is administered by the Firefighters' Pension Board of Trustees and issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to the Mokena Fire Protection District's office, 19853 Wolf Rd. Mokena, IL 60448.

At May 31, 2023, the measurement date, the Fund's membership consisted of:

Inactive plan members or beneficiaries	
currently receiving benefits	12
Inactive plan members entitled to, but not yet	
receiving benefits	4
Active plan members	<u>31</u>
Total	<u>47</u>

Benefits Provided

The Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service 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 at a maximum of 75% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of one-half 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

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 6. PENSION PLAN (Continued)

years up to 30 years maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% reduction for each month prior to attaining age 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. The increase is the lesser of 3% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than twenty years of service, accumulated employee contributions may be refunded without interest. The District is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the District has until the year 2040 to fund 90% of the past services costs of the Firefighters' Pension Plan. However, the District contributes based on the entry-age normal actuarial cost method that will result in the funding of 100% of the past service cost by the year 2040. The District's contribution to the fund was \$1,022,892 for the year ended May 31, 2023.

Basis of Accounting

The Firefighters' Pension Fund is a pension trust fund and is accounted for by the accrual basis of accounting. Employee and employer contributions are recognized as additions when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. Details regarding cash and investments are disclosed in Note 3.

Net Pension Liability

The components of the net pension liability of the Firefighters' Pension Plan as of May 31, 2023, calculated in accordance with GASB Statement No. 67 were as follows:

Total Pension Liability	\$28,212,463
Less: Plan Fiduciary Net Position	23,940,474
District's Net Pension Liability	<u>\$ 4,271,989</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.86%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 6. PENSION PLAN (Continued)

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in the total pension liability and changes in the plan net position as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Pension Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning at 6/1/22	\$25,045,580	\$23,537,726	\$ 1,507,854
Changes for the year:			
Service Cost	900,293	-	900,293
Interest	1,751,312	-	1,751,312
Actuarial Experience	(42,818)	-	(42,818)
Assumption Changes	1,276,555	-	1,276,555
Plan Changes	-	-	-
Contributions - Employer	-	1,022,892	(1,022,892)
Contributions - Employee	-	309,862	(309,862)
Contributions - Other	-	-	-
Net Investment Income	-	(167,734)	167,734
Benefit Payments, included refunds	(718,459)	(718,459)	-
Administrative Expenses	-	(43,813)	43,813
Net Changes	3,166,883	402,748	2,764,135
Balances Ending at 5/31/23	\$28,212,463	\$23,940,474	\$ 4,271,989

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 31, 2023 using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 31, 2023
Actuarial Cost Method	Entry-age Normal
Inflation	2.25%
Salary Increases	3.75% - 8.92%
Investment Rate of Return	6.75%
Asset Valuation Method	5 Year Smoothed Market Value

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

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 6. PENSION PLAN (Continued)

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

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

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

Other demographic assumption rates are based on a review of assumptions in the L&A Assumption Study for Firefighters 2020.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the 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 Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 6.75% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Net Pension Liability	\$ 9,205,653	\$ 4,271,989	\$ 313,783

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 6. PENSION PLAN (Continued)

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

For the year ended May 31, 2023, the District recognized pension benefit of \$5,003. As of May 31, 2023, 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	\$ 1,318,337	\$ 2,394,140
Assumption Changes	300,173	274,314
Net Difference Between the Projected and Actual Earnings on Pension Plan Investments	<u>3,006,177</u>	<u>1,092,862</u>
Total	<u>\$4,624,687</u>	<u>\$3,761,316</u>

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

Year Ended	
May 31:	
2023	\$ 168,391
2024	234,235
2025	747,740
2026	219,225
2027	(135,931)
Thereafter	<u>(370,289)</u>
Total	<u>\$ 863,371</u>

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS PLAN

Plan Description

In addition to providing the pension benefits described, the District provides post-employment health care benefits (OPEB) for retired employees. The benefit levels, employee contributions and employer contributions are governed by the District and can be amended by it through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities.

Benefits Provided

The District provides medical, prescription, dental, vision and life coverage to Tier 1 full-time firefighters, at least 50 years old with at least 20 years of service and Tier 2 full-time firefighters, at least 55 years old and 10 years of service. This coverage allows employees to continue employer

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

sponsored insurance in retirement. The employee is responsible for the full cost of coverage including coverage for any eligible spouse/dependent.

As of May 31, 2023, the measurement date, the Fund's membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to, but not yet receiving benefits	-
Active plan members	<u>31</u>
Total	<u>38</u>

Funding Policy

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. The District does not have an OPEB trust set up. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Total OPEB Liability

The District's net OPEB liability was measured as of May 31, 2023. The total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation, in accordance with parameters of GASB 75, as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability as of May 31, 2023:

Actuarial Valuation Date	May 31, 2023
Asset Valuation Method	Entry-age Normal
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	N/A
Healthcare Cost Trends	Market Value

Mortality Rates

Active Retiree Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010A Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2019 Improvement Rates.

Spousal Mortality Follows the Sex Distinct Raw Rates as developed in the PubS-2010A Study. These rates are improved generationally using MP-2019 Improvement Rates.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the L&A Assumption Study for Disabled Pensioners. These rates are improved generationally using MP-2019 Improvement Rates.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.74%. The determination of Total OPEB Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal rate. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits, therefore, then only the municipal bond rate is used in determining the Total OPEB Liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The Net OPEB Liability has been determined using the end of year discount rate. The table showing the sensitivity of the Net OPEB Liability to the discount rate follows:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(2.74%)</u>	<u>(3.74%)</u>	<u>(4.74%)</u>
Net OPEB Liability	\$5,063,420	\$4,451,966	\$3,943,577

Changes in Net OPEB Liability

The Schedule of Changes in Net OPEB Liability and Related Ratios, presented as required supplemental information (RSI) following the Notes to the Financial Statements, presents current period changes in the total OPEB liability and plan OPEB position. Changes in the Net OPEB Liability are derived from the changes in the Total OPEB Liability and changes in the OPEB Net Position as follows:

	Increase (Decrease)		
	Total OPEB Liability	OPEB Plan Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances Beginning, 6/1/22	\$ 4,666,551	\$ -	\$4,666,551
Changes for the year:			
Service Cost	123,560	-	123,560
Interest	145,499	-	145,499
Actuarial Experience	-	-	-
Assumption Changes	(359,309)	-	(359,309)
Plan Changes	-	-	-
Contributions - Employer	-	124,335	(124,335)
Contributions -Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(124,335)	(124,335)	-
Administrative Expenses	-	-	-
Net Changes	(214,585)	-	(214,585)
Balances Ending, 5/31/23	\$ 4,451,966	\$ -	\$4,451,966

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements

May 31, 2023

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

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

For the year ended May 31, 2023, the District recognized OPEB benefit of \$214,585. As of May 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to OPEB</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between the projected and actual earnings on OPEB investments	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

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

Year Ending <u>May 31,</u>	Net Deferred Inflows <u>of Resources</u>
2023	\$ -
2024	-
2025	-
2026	-
2027	-
Thereafter	-
Total	<u>\$ -</u>

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The District accounts for its risk financing activities in the Tort Fund. The District carries commercial insurance for its workers' compensation, general liability, and property coverage. Settled claims have not exceeded insurance coverage during any of the past three years.

All full-time employees are entitled to the Fire Protection District's approved health/life insurance coverage.

Mokena Fire Protection District, Illinois

Notes to the Basic Financial Statements
May 31, 2023

NOTE 9. INDIVIDUAL FUND DISCLOSURES

The District had the following interfund transfers as of May 31, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 31,280
Ambulance	-	70,000
OPEB	101,280	-
Total	<u>\$ 101,280</u>	<u>\$ 101,280</u>

REQUIRED SUPPLEMENTARY INFORMATION

Mokena Fire Protection District, Illinois

Firefighters' Pension Fund
Schedule of Employer Contributions
Last Ten Fiscal Years

	Actuarially Determined Contribution	Less: Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 703,400	\$ 985,150	\$ (281,750)	\$ 2,914,908	33.80 %
2015	787,709	633,112	154,597	3,016,367	20.99 %
2016	811,980	817,688	(5,708)	3,165,390	25.83 %
2017	817,108	823,215	(6,107)	3,270,924	25.17 %
2018	956,032	954,180	1,852	3,377,229	28.25 %
2019	979,082	891,365	87,717	3,351,977	26.59 %
2020	948,259	975,085	(26,826)	3,460,916	28.17 %
2021	973,634	902,211	71,423	3,368,413	26.78 %
2022	1,021,200	1,087,686	(66,486)	3,266,295	33.30 %
2023	882,309	1,022,892	(140,583)	3,345,307	30.58 %

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Firefighters' Pension Fund

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

For the Year Ended May 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability									
Service Cost	\$ 900,293	\$ 966,088	\$ 1,016,653	\$ 1,011,120	\$ 993,170	\$ 995,889	\$ 932,917	\$ 864,922	\$ 940,644
Interest	1,751,312	1,536,544	1,491,242	1,430,685	1,329,894	1,195,002	1,106,349	918,586	865,645
Changes of Benefit Terms	(42,818)	-	-	215,188	-	-	-	-	-
Differences Between Expected and Actual Experience	1,276,555	(1,317,117)	(885,497)	(295,269)	(609,271)	(20,871)	(319,246)	148,765	(904,930)
Changes of Assumptions	-	-	-	(239,908)	-	-	(242,300)	1,006,189	508,817
Benefit Payments, Including Refunds of Member Contributions	(718,459)	(555,457)	(392,389)	(263,282)	(177,903)	(165,315)	(163,388)	(150,169)	(185,553)
Net Change in Total Pension Liability	3,166,883	630,058	1,230,009	1,858,534	1,535,890	2,004,705	1,314,332	2,788,293	1,224,623
Total Pension Liability - Beginning	25,045,580	24,415,522	23,185,513	21,326,979	19,791,089	17,786,384	16,472,052	13,683,759	12,459,136
Total Pension Liability - Ending	<u>\$ 28,212,463</u>	<u>\$ 25,045,580</u>	<u>\$ 24,415,522</u>	<u>\$ 23,185,513</u>	<u>\$ 21,326,979</u>	<u>\$ 19,791,089</u>	<u>\$ 17,786,384</u>	<u>\$ 16,472,052</u>	<u>\$ 13,683,759</u>
Plan Fiduciary Net Position									
Contributions -Employer	\$ 1,022,892	\$ 1,087,686	\$ 902,211	\$ 975,085	\$ 891,365	\$ 954,180	\$ 823,215	\$ 817,688	\$ 633,112
Contributions - Employee	309,862	310,675	320,514	310,306	319,570	314,827	310,396	303,440	291,036
Contributions - Other	-	-	360	685	-	-	-	-	-
Net Investment Income (Loss)	(167,734)	(1,012,592)	3,881,929	1,485,377	484,413	822,614	999,688	310,500	354,828
Benefit Payments, Including Refunds of Member Contributions	(718,459)	(555,457)	(392,389)	(263,282)	(177,903)	(165,314)	(163,388)	(150,169)	(185,553)
Net Transfer	(43,813)	(38,383)	(47,552)	(88,639)	(41,738)	(33,509)	(33,687)	(14,970)	(106,481)
Net Change in Plan Fiduciary Net Position	402,748	(208,071)	4,665,073	2,419,532	1,475,707	1,892,798	1,936,224	1,266,489	1,076,942
Plan Fiduciary Net Position - Beginning	23,537,726	23,745,797	19,080,724	16,661,192	15,185,485	13,292,687	11,356,463	10,089,974	9,013,032
Plan Fiduciary Net Position - Ending	<u>\$ 23,940,474</u>	<u>\$ 23,537,726</u>	<u>\$ 23,745,797</u>	<u>\$ 19,080,724</u>	<u>\$ 16,661,192</u>	<u>\$ 15,185,485</u>	<u>\$ 13,292,687</u>	<u>\$ 11,356,463</u>	<u>\$ 10,089,974</u>
Net Pension Liability	<u>\$ 4,271,989</u>	<u>\$ 1,507,854</u>	<u>\$ 669,725</u>	<u>\$ 4,104,789</u>	<u>\$ 4,665,787</u>	<u>\$ 4,605,604</u>	<u>\$ 4,493,697</u>	<u>\$ 5,115,589</u>	<u>\$ 3,593,785</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.86 %	93.98 %	97.26 %	82.30 %	78.12 %	76.73 %	74.74 %	68.94 %	73.73 %
Covered-Valuation Payroll	\$ 3,345,307	\$ 3,266,295	\$ 3,368,413	\$ 3,460,916	\$ 3,351,977	\$ 3,377,229	\$ 3,270,924	\$ 3,165,390	\$ 3,016,367
Employer's Net Pension Liability as a Percentage of Covered Payroll	127.70 %	46.16 %	19.88 %	118.60 %	139.20 %	136.37 %	137.38 %	161.61 %	119.14 %

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Firefighters' Pension Fund

Schedule of Employer Contributions - Other Post-Employment Benefits

Last Ten Fiscal Years

	Actuarially Determined Contribution	Less: Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll	
2019	N/A	-	N/A	\$ 3,351,977	0.00	%
2020	N/A	-	N/A	3,460,916	0.00	%
2021	N/A	-	N/A	3,368,413	0.00	%
2022	N/A	-	N/A	3,479,859	0.00	%
2023	N/A	-	N/A	3,592,954	0.00	%

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios

For the Year Ended May 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service Cost	\$ 123,560	\$ 43,364	\$ 53,031	\$ 43,261	\$ 39,816
Interest	145,499	51,203	28,444	36,620	36,038
Changes of Benefit Terms	-	-	(37,122)	-	-
Differences Between Expected and Actual Experience	-	543,447	928,747	-	-
Changes of Assumptions	(359,309)	1,733,880	82,650	217,669	36,722
Benefit Payments, Including Refunds of Member Contributions	(124,335)	(65,540)	(24,854)	(23,282)	(21,910)
Net Change in Total OPEB Liability	(214,585)	2,306,354	1,030,896	274,268	90,666
Total OPEB Liability - Beginning	4,666,551	2,360,197	1,329,301	1,055,033	964,367
Total OPEB Liability - Ending	<u>\$4,451,966</u>	<u>\$4,666,551</u>	<u>\$2,360,197</u>	<u>\$1,329,301</u>	<u>\$1,055,033</u>
Plan OPEB Net Position					
Contributions -Employer	\$ 124,335	\$ 65,540	\$ 24,854	\$ 23,282	\$ 21,910
Contributions - Employee	-	-	-	-	-
Contributions - Other	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(124,335)	(65,540)	(24,854)	(23,282)	(21,910)
Net Transfer	-	-	-	-	-
Net Change in OPEB Net Position	-	-	-	-	-
OPEB Net Position - Beginning	-	-	-	-	-
OPEB Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	<u>\$4,451,966</u>	<u>\$4,666,551</u>	<u>\$2,360,197</u>	<u>\$1,329,301</u>	<u>\$1,055,033</u>
Plan OPEB Net Position as a Percentage of the Total OPEB Liability	-	-	-	-	-
Covered-Valuation Payroll	\$3,592,954	\$3,479,859	\$3,368,413	\$3,460,916	\$3,351,977
Employer's Net OPEB Liability as a Percentage of Covered Payroll	123.91 %	134.10 %	70.07 %	38.41 %	31.47 %

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

General Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance From Final</u> <u>Budget Over</u> <u>(Under)</u>
<u>Revenues</u>			
Property Tax	\$ 2,602,680	\$ 2,589,170	\$ (13,510)
State of Illinois Replacement Tax	7,000	44,277	37,277
Impact Fees	1,200	600	(600)
Building Permit Fees	7,000	775	(6,225)
Grants	-	141,610	141,610
Fleet Maintenance & Repair	24,000	7,529	(16,471)
Bond Reimbursements	4,198	-	(4,198)
Reimbursements	7,500	168,122	160,622
Interest Income	5,000	88,253	83,253
Miscellaneous Revenues	4,000	17,104	13,104
Total Revenues	2,662,578	3,057,440	394,862
<u>Expenditures</u>			
Current:			
Wages - Full Time	1,700,000	1,584,118	(115,882)
Wages - Overtime	300,000	204,607	(95,393)
Secretary Wages	50,000	44,299	(5,701)
Medical Insurance	400,000	415,698	15,698
Firefighter Expense	250	-	(250)
Maintenance & Repair	65,000	50,896	(14,104)
Accounting & Audit	-	1,837	1,837
Postage	2,000	1,069	(931)
Telephone	5,000	3,713	(1,287)
Radio Communications	55,000	46,952	(8,048)
Association Dues	3,000	2,725	(275)
Training	5,000	-	(5,000)
Fire Fighter Service	7,000	6,087	(913)
Fire Prevention	10,000	10,133	133
Foreign Fire Insurance Board	5,000	956	(4,044)
Utilities	22,000	18,393	(3,607)
IT/Records	15,000	15,324	324
Gas & Diesel	23,000	24,661	1,661
Station Supplies & Miscellaneous	8,000	6,830	(1,170)
Awards Banquet	1,000	970	(30)
Homer Intergovernmental	5,000	5,000	-
Total Expenditures	2,681,250	2,444,268	(236,982)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(18,672)	613,172	631,844
<u>Other Financing Uses</u>			
Transfer Out	(31,280)	(31,280)	-
Proceeds of Sale of Assets	50,000	-	(50,000)
Total Other Financing Uses	18,720	(31,280)	(50,000)
Net Change in Fund Balance	\$ 48	581,892	\$ 581,844
Fund Balance, Beginning of Year		331,312	
Fund Balance, End of Year		\$ 913,204	

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Ambulance Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and</u> <u>Final Budget</u>	<u>Actual</u>	<u>Variance From</u> <u>Final Budget</u> <u>Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ 2,602,680	\$ 2,589,169	\$ (13,511)
Ambulance Billing	865,000	1,083,342	218,342
Grants	16,000	-	(16,000)
Public Education Class	6,000	12,373	6,373
Interest Income	5,000	77,602	72,602
Reimbursements	5,000	833	(4,167)
Miscellaneous Revenues	77,000	2,397	(74,603)
Total Revenues	3,576,680	3,765,716	189,036
<u>Expenditures</u>			
Current:			
Wages - Full Time	2,225,000	1,920,061	(304,939)
Wages - Overtime	550,000	609,188	59,188
Secretary Wages	55,000	48,962	(6,038)
Medical Insurance	420,000	317,388	(102,612)
Retirement Plan Contribution	25,000	5,679	(19,321)
Workers' Compensation	-	20,000	20,000
Accounting & Audit	-	187	187
Firefighters Expense	250	-	(250)
Information Technology/Records	10,000	10,000	-
Telephone	5,000	3,715	(1,285)
Radio Communications	86,000	58,605	(27,395)
Fire Prevention	-	7,762	7,762
Third Party Ambulance Collection	40,000	35,134	(4,866)
Utilities	24,500	20,999	(3,501)
Gas & Diesel	22,000	26,740	4,740
Repair and Maintenance	41,000	38,684	(2,316)
Awards Banquet	1,000	823	(177)
Postage	-	522	522
Firefighter Supplies	6,000	6,000	-
Homer Intergovernmental	5,000	5,000	-
Office Supplies	3,000	983	(2,017)
EMS Equipment & Supplies	24,000	10,344	(13,656)
Station Supplies & Miscellaneous	4,500	3,422	(1,078)
Association Dues	5,000	5,000	-
Accreditation	2,000	-	(2,000)
Total Current Expenditures	3,554,250	3,155,198	(399,052)

(continued)

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Ambulance Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,430	610,518	588,088
<u>Other Financing Sources (Uses)</u>			
Sale of Assets	53,000	-	(53,000)
Transfer Out	<u>(75,000)</u>	<u>(70,000)</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>(22,000)</u>	<u>(70,000)</u>	<u>(48,000)</u>
Net Change in Fund Balance	<u>\$ 430</u>	540,518	<u>\$ 540,088</u>
Fund Balance, Beginning of Year		<u>662,451</u>	
Fund Balance, End of Year		<u>\$ 1,202,969</u>	

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>From Final</u> <u>Budget</u> <u>Over</u> <u>(Under)</u>
<u>Revenues</u>			
Property Tax	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures</u>			
Debt Service:			
Bond Principal Payment	650,000	300,438	(349,562)
Interest Expense	-	43,797	43,797
Capital Outlay:			
Station Furniture and Equipment	650,000	107,914	(542,086)
Total Expenditures	<u>1,300,000</u>	<u>452,149</u>	<u>(847,851)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,300,000)</u>	<u>(452,149)</u>	<u>847,851</u>
<u>Other Financing Sources</u>			
Proceeds from Sale of Assets	-	163,000	163,000
Net Change in Fund Balance	<u>\$ (1,300,000)</u>	<u>(289,149)</u>	<u>\$ 1,010,851</u>
Fund Balance, Beginning of Year		<u>1,757,141</u>	
Fund Balance, End of Year		<u>\$ 1,467,992</u>	

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Tort Liability Fund

Schedule of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual

For the Year Ended May 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ 839,000	\$ 834,180	\$ (4,820)
Total Revenues	<u>839,000</u>	<u>834,180</u>	<u>(4,820)</u>
<u>Expenditures</u>			
Current:			
Wages - Full Time	20,000	-	(20,000)
Wages - Overtime	50,000	28,325	(21,675)
Wages - Secretary	25,000	23,315	(1,685)
Workers' Compensation Insurance	351,175	267,949	(83,226)
Accounting and Auditing	35,000	29,900	(5,100)
Accreditation	3,000	3,042	42
Liability Insurance	95,000	94,211	(789)
Repair and Maintenance	95,000	92,188	(2,812)
Fire Fighter Supplies	17,000	17,000	-
Office Supplies	1,000	-	(1,000)
Fire Comission	12,000	9,575	(2,425)
Training	15,000	10,793	(4,207)
Legal Services	27,000	11,072	(15,928)
Trustee's Fees	6,000	6,000	-
Health & Fitness	15,000	14,170	(830)
IT/Records	10,000	12,515	2,515
Station Supplies	500	-	(500)
Association Dues	4,000	1,250	(2,750)
Protective Gear	47,000	32,375	(14,625)
Fire Prevention	10,000	795	(9,205)
Total Expenditures	<u>838,675</u>	<u>654,475</u>	<u>(184,200)</u>
Net Change in Fund Balance	<u>\$ 325</u>	179,705	<u>\$ 179,380</u>
Fund Balance, Beginning of Year		<u>114,334</u>	
Fund Balance, End of Year		<u>\$ 294,039</u>	

See notes to the required supplementary information

Mokena Fire Protection District, Illinois

Pension Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ 1,023,796	\$ 1,017,426	\$ (6,370)
Total Revenues	1,023,796	1,017,426	(6,370)
<u>Expenditures</u>			
Current:			
Pension Expense	1,023,796	1,017,426	(6,370)
Total Expenditures	1,023,796	1,017,426	(6,370)
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

See notes to the required supplementary information

Mokena Fire Protection District, Illinois
Notes to the Required Supplementary Information
May 31, 2023

A. BUDGETS AND BUDGETARY INFORMATION

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

- a) The District submits to the Board a proposed operating budget resolution, which serves as a budget, for the fiscal year commencing the following June 1. The operating budget resolution includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the District to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, ambulance, and special revenue funds.
- e) Budgets for the general, ambulance and special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget". As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require District Board approval. Legal budgetary control is maintained at fund level.
- h) Budgeted amounts are as originally adopted.

B. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 CONTRIBUTION RATE- PENSION PLAN

Valuation Date

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

Methods and Assumptions Used to Determine 2023 Contribution Rates

Actuarial Cost Method:	Aggregated entry age = normal
Amortization Method:	Level percentage of payroll
Remaining Amortization Period:	15 years
Asset Valuation Method:	Market Value
Price Inflation:	2.25%
Salary Increases:	3.75% - 8.92 %
Investment Rate of Return:	6.75%
Retirement Age:	100% of L&A 2020 Illinois Firefighters Retirement Rates Capped at Age 65
Mortality:	Pub-2010 Adjusted for Plan Status, Demographics and Illinois Public Pension Data

Other Information

There were no benefit changes during the year.

Mokena Fire Protection District, Illinois
Notes to the Required Supplementary Information
May 31, 2023

**C. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2023 CONTRIBUTION RATE - POSTRETIREMENT HEALTH
PLAN**

Valuation Date

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

Methods and Assumptions Used to Determine 2023 Contribution Rates

Discount Rate:	3.74%
Investment Rate of Return:	N/A
Wage Growth:	3.25%
Price Inflation:	2.25%
Retirement Age:	55 years old
Health Care Trend Rates:	Varies
Mortality:	PubS-210(A) Study

Other Information

There were no benefit changes during the year.

Non-Major Individual Fund Statements and Schedules

Mokena Fire Protection District, Illinois

Combining Balance Sheet
Nonmajor Governmental Funds
May 31, 2023

	Special Revenue Fund Type			
	Social Security	Other Post Employment Benefits	Foreign Fire Insurance	Total
<u>Assets</u>				
Cash	\$ 71,643	\$ 209,863	\$ 58,879	\$ 340,385
Property Tax Receivable	104,590	-	-	104,590
Total Assets	\$ 176,233	\$ 209,863	\$ 58,879	\$ 444,975
 <u>Liabilities, Deferred Inflows and Fund Balances</u>				
<u>Liabilities</u>				
Accrued Wages	\$ 951	\$ -	-	\$ 951
Total Liabilities	951	-	-	951
 <u>Deferred Inflows of Resources</u>				
Deferred Property Tax	104,590	-	-	104,590
Deferred Revenue - Collections	9,707	-	-	9,707
Total Deferred Inflows	114,297	-	-	114,297
 <u>Fund Balances</u>				
Restricted For:				
Foreign Fire Insurance	-	-	58,879	58,879
Employee Benefits	60,985	209,863	-	270,848
Unrestricted	-	-	-	-
Total Fund Balances	60,985	209,863	58,879	329,727
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 176,233	\$ 209,863	\$ 58,879	\$ 444,975

Mokena Fire Protection District, Illinois

Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended May 31, 2023

	Social Security	Other Post- Employment Benefits	Foreign Fire Insurance	Total
<u>Revenues</u>				
Property Tax	\$ 112,912	\$ -	\$ -	\$ 112,912
Foreign Fire Insurance	-	-	52,397	52,397
Total Revenues	112,912	-	52,397	165,309
<u>Expenditures</u>				
Current:				
Medical Insurance	-	96,486	-	96,486
Station Supplies	-	-	19,084	19,084
Fire Station Utilities	-	-	7,112	7,112
Medicare Tax	58,735	-	-	58,735
Social Security Tax	12,308	-	-	12,308
VEBA Contribution	-	37,523	-	37,523
Capital Outlay:				
Station Furniture and Equipment	-	-	14,965	14,965
Total Expenditures	71,043	134,009	41,161	246,213
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,869	(134,009)	11,236	(80,904)
<u>Other Financing Sources:</u>				
Transfers In:	-	101,280	-	101,280
Net Change in Fund Balances	41,869	(32,729)	11,236	20,376
Fund Balances, Beginning of Year	19,116	242,592	47,643	309,351
Fund Balances, End of Year	\$ 60,985	\$ 209,863	\$ 58,879	\$ 329,727

Mokena Fire Protection District, Illinois

Social Security Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ 113,283	\$ 112,912	\$ (371)
Total Revenues	<u>113,283</u>	<u>112,912</u>	<u>(371)</u>
<u>Expenditures</u>			
Current:			
Medicare Tax	84,678	58,735	(25,943)
Social Security Tax	<u>12,465</u>	<u>12,308</u>	<u>(157)</u>
Total Expenditures	<u>97,143</u>	<u>71,043</u>	<u>(26,100)</u>
Net Change in Fund Balance	<u>\$ 16,140</u>	41,869	<u>\$ 25,729</u>
Fund Balance, Beginning of Year		<u>19,116</u>	
Fund Balance, End of Year		<u>\$ 60,985</u>	

Mokena Fire Protection District, Illinois

Other Post-Employment Benefits Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<u>Expenditures</u>			
Current:			
Medical Insurance	85,000	96,486	11,486
VEBA Contribution	44,000	37,523	(6,477)
Accrued Benefit Contribution	73,418	-	(73,418)
Total Expenditures	202,418	134,009	(68,409)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,418)	(134,009)	68,409
<u>Other Financing Sources</u>			
Transfers In	101,280	101,280	-
Net Change in Fund Balance	\$ (101,138)	\$ (32,729)	\$ (68,409)
Fund Balance, Beginning of Year		242,592	
Fund Balance, End of Year		\$ 209,863	

Mokena Fire Protection District, Illinois

Foreign Fire Insurance Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
For the Year Ended May 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<u>Revenues</u>			
Foreign Fire Insurance	\$ 50,000	\$ 52,397	\$ 2,397
Total Revenues	<u>50,000</u>	<u>52,397</u>	<u>2,397</u>
<u>Expenditures</u>			
Current:			
Station Supplies	20,000	19,084	(916)
Station Utilities	10,000	7,112	(2,888)
Station Furniture and Equipment	<u>20,000</u>	<u>14,965</u>	<u>(5,035)</u>
Total Expenditures	<u>50,000</u>	<u>41,161</u>	<u>(8,839)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>11,236</u>	<u>\$ 11,236</u>
Fund Balance, Beginning of Year		<u>47,643</u>	
Fund Balance, End of Year		<u>\$ 58,879</u>	

SUPPLEMENTARY INFORMATION

Mokena Fire Protection District, Illinois

Five Year Summary of Assessed Valuations, Tax Rates and Tax Extensions

May 31, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Mokena Fire Protection District					
Assessed Valuation					
Will County	\$ 747,036,514	\$ 708,019,721	\$ 680,665,523	\$ 666,993,109	\$ 653,026,739
Cook County	185,639	183,801	177,079	187,366	187,366
	<u>\$ 747,222,153</u>	<u>\$ 708,203,522</u>	<u>\$ 680,842,602</u>	<u>\$ 667,180,475</u>	<u>\$ 653,214,105</u>
Tax Extensions:					
General Fund	\$ 2,826,786	\$ 2,602,680	\$ 2,591,294	\$ 2,568,590	\$ 2,467,131
Ambulance	2,824,545	2,602,680	2,591,294	2,537,242	2,466,482
Pension	1,038,381	1,028,045	1,020,998	975,144	956,684
Tort	785,882	839,003	702,447	668,327	647,803
Social Security	114,297	113,283	83,722	77,371	74,445
Total	<u>\$ 7,589,891</u>	<u>\$ 7,185,691</u>	<u>\$ 6,989,755</u>	<u>\$ 6,826,674</u>	<u>\$ 6,612,545</u>
Tax Rates - Will County:					
General Fund	0.3784	0.3676	0.3807	0.3851	0.3778
Ambulance	0.3781	0.3676	0.3807	0.3804	0.3777
Pension	0.1390	0.1452	0.1500	0.1462	0.1465
Tort	0.1052	0.1185	0.1032	0.1002	0.0992
Social Security	0.0153	0.0160	0.0123	0.0116	0.0114
Total	<u>1.0160</u>	<u>1.0149</u>	<u>1.0269</u>	<u>1.0235</u>	<u>1.0126</u>
Tax Rates Cook County:					
General Fund	N/A	0.3677	0.3804	0.3833	0.3780
Ambulance	N/A	0.3677	0.3804	0.3820	0.3780
Pension	N/A	0.1450	0.1508	0.1472	0.1464
Tort	N/A	0.1185	0.1036	0.1006	0.0991
Social Security	N/A	0.0160	0.0123	0.0116	0.0114
Total	<u>N/A</u>	<u>1.0149</u>	<u>1.0275</u>	<u>1.0247</u>	<u>1.0134</u>