

Bensenville Fire Protection District No. 2
Bensenville, Illinois
Annual Financial Report
For the Year Ended December 31, 2016

Bensenville Fire Protection District No. 2
Table of Contents
For the Year Ended December 31, 2016

	<u>Page(s)</u>
TABLE OF CONTENTS	i - ii
INDEPENDENT AUDITORS' REPORT	1 - 3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	4
Statement of Activities - Modified Cash Basis	5
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Balances (Deficit) - Modified Cash Basis - Governmental Funds	6
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances (Deficit) - Governmental Funds	7
Reconciliation of the Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances (Deficit) - Governmental Funds to the Statement of Activities - Modified Cash Basis	8
Fiduciary Funds	
Statement of Net Position	9
Statement of Changes in Net Position	10
Notes to the Financial Statements	11 - 33
MAJOR FUNDS	
OTHER INFORMATION	
IMRF Pension Disclosures	34 - 36
Firefighters' Pension Disclosures	37 - 38
General Fund	
Budgetary Comparison Schedule	39
Ambulance Fund	
Budgetary Comparison Schedule	40
Emergency and Rescue Fund	
Budgetary Comparison Schedule	41
Liability Insurance Fund	
Budgetary Comparison Schedule	42
MAJOR FUNDS	
INDIVIDUAL FUND SCHEDULES	
General Fund	
Schedule of Expenditures - Budget and Actual	43 - 44

Bensenville Fire Protection District No. 2
Table of Contents (Continued)
For the Year Ended December 31, 2016

	<u>Page(s)</u>
MAJOR FUNDS (CONTINUED)	
INDIVIDUAL FUND SCHEDULES (CONTINUED)	
Ambulance Fund	
Schedule of Expenditures - Budget and Actual	45
NON-MAJOR FUNDS	
COMBINING AND INDIVIDUAL FUND SCHEDULES	
Governmental Funds	
Combining Schedule of Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Balances - Modified Cash Basis - Governmental Funds	46
Combining Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Governmental Funds	47
Audit Fund	
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget and Actual	48
Social Security Fund	
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget and Actual	49
Illinois Municipal Retirement Fund	
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget and Actual	50
Foreign Fire Tax Fund	
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - No Legally Adopted Budget	51
STATISTICAL INFORMATION	
Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections	52

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Bensenville Fire Protection District No. 2
Bensenville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bensenville Fire Protection District No. 2, including the fiduciary funds, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighters' Pension Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Bensenville Fire Protection District No. 2 is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information, including the fiduciary funds, of the Bensenville Fire Protection District No. 2, as of December 31, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements, with the exception of the Firefighters' Pension Fund which is prepared on the accrual basis of accounting, are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other MattersOther Information

Accounting principles generally accepted in the United States of America require that certain pension disclosures be presented to supplement the basic financial statements. Such information, although not 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 other information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

The management's discussion and analysis (MD&A) is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. The management of Bensenville Fire Protection District No. 2 has not prepared the MD&A for the year ending December 31, 2016, but will be prepared to include the document at a future date.

The major fund budgetary comparison schedules listed on the table of contents are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This other information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending December 31, 2016 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bensenville Fire Protection District No. 2's basic financial statements. The combining and individual fund financial schedules for the year ended December 31, 2016 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Statistical Information" listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Bensenville Fire Protection District No. 2. The information has not been audited by us and, accordingly, we express no opinion on such matters.

Bensenville Fire Protection District No. 2
Statement of Net Position - Modified Cash Basis
December 31, 2016

	Governmental Activities
ASSETS	
Cash	\$ 2,485,380
Capital Assets	
Capital Assets Not Being Depreciated	115,000
Other Capital Assets, Net of Depreciation	2,086,950
Total Capital Assets	<u>2,201,950</u>
TOTAL ASSETS	<u>4,687,330</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>
LIABILITIES	
Due Within One Year	
Accrued Liabilities	12,815
Capital Leases Payable	53,727
Due in More Than One Year	
Capital Leases Payable	103,002
TOTAL LIABILITIES	<u>169,544</u>
TOTAL DEFERRED INFLOWS	<u>0</u>
NET POSITION	
Net Investment in Capital Assets	2,045,221
Restricted Amounts	
Ambulance	1,179,943
Emergency and Rescue	235,270
Audit	4,876
Social Security	46,626
IMRF	10,752
Foreign Fire Tax	93,815
Unrestricted Amounts	901,283
TOTAL NET POSITION	<u>\$ 4,517,786</u>

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
FUNCTIONS/PROGRAMS				
Governmental Activities				
Public Safety	\$ 5,214,509	\$ 759,991	\$ 2,727	\$ (4,451,791)
Interest on Long-Term Debt	6,980	0	0	(6,980)
TOTAL	<u>\$ 5,221,489</u>	<u>\$ 759,991</u>	<u>\$ 2,727</u>	<u>(4,458,771)</u>

GENERAL REVENUES

Taxes	
Property taxes levied for general purposes	4,034,473
Intergovernmental	134,417
Illinois Municipal League	40,195
Interest Income	9,088
Cell Tower Rental	18,433
TOTAL GENERAL REVENUES	<u>4,236,606</u>
CHANGE IN NET POSITION	(222,165)
NET POSITION, BEGINNING OF YEAR	<u>4,739,951</u>
END OF YEAR	<u>\$ 4,517,786</u>

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2

Governmental Funds

Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Balances (Deficit) - Modified

Cash Basis - Governmental Funds

December 31, 2016

	<u>General</u>	<u>Ambulance</u>	<u>Emergency and Rescue</u>	<u>Liability Insurance</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash	\$ 914,098	\$ 1,179,943	\$ 235,270	\$ 0	\$ 156,069	\$ 2,485,380
Due from Other Funds	18,658	0	0	0	0	18,658
TOTAL ASSETS	<u>932,756</u>	<u>1,179,943</u>	<u>235,270</u>	<u>0</u>	<u>156,069</u>	<u>2,504,038</u>
TOTAL DEFERRED OUTFLOWS						
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>932,756</u>	<u>1,179,943</u>	<u>235,270</u>	<u>0</u>	<u>156,069</u>	<u>2,504,038</u>
LIABILITIES						
Accrued Liabilities	12,815	0	0	0	0	12,815
Due to Other Funds	0	0	0	18,658	0	18,658
TOTAL LIABILITIES	<u>12,815</u>	<u>0</u>	<u>0</u>	<u>18,658</u>	<u>0</u>	<u>31,473</u>
TOTAL DEFERRED INFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES (DEFICIT)						
Restricted	0	1,179,943	235,270	0	156,069	1,571,282
Unassigned	919,941	0	0	(18,658)	0	901,283
TOTAL FUND BALANCES (DEFICIT)	<u>919,941</u>	<u>1,179,943</u>	<u>235,270</u>	<u>(18,658)</u>	<u>156,069</u>	<u>2,472,565</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	<u>\$ 932,756</u>	<u>\$ 1,179,943</u>	<u>\$ 235,270</u>	<u>\$ 0</u>	<u>\$ 156,069</u>	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund financial statements.

2,201,950

Capital leases payable is not reported as a liability in the fund financial statements.

(156,729)

NET POSITION OF GOVERNMENTAL FUNDS

\$ 4,517,786

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Governmental Funds
Statement of Revenues Received, Expenditures Disbursed, and Changes
in Fund Balances (Deficit) - Governmental Funds
For the Year Ended December 31, 2016

	General	Ambulance	Emergency and Rescue	Liability Insurance	Other Governmental Funds	Total
REVENUES						
Property Taxes	\$2,281,354	\$1,509,599	\$ 17,931	\$ 118,067	\$ 107,522	\$4,034,473
Intergovernmental	134,417	0	0	0	0	134,417
Professional						
Education	65,312	0	0	0	0	65,312
Illinois Municipal						
League	0	0	0	0	40,195	40,195
Cell Tower Rental	18,433	0	0	0	0	18,433
Service Fees	14,883	679,796	0	0	0	694,679
Interest Income	9,047	0	0	0	41	9,088
Donations	2,727	0	0	0	0	2,727
TOTAL REVENUES	2,526,173	2,189,395	17,931	118,067	147,758	4,999,324
EXPENDITURES						
Fire Protection	2,781,476	0	0	165,976	132,205	3,079,657
Ambulance Service	0	1,918,333	0	0	0	1,918,333
Debt Service						
Capital Lease						
Principal	52,210	34,258	0	0	0	86,468
Capital Lease						
Interest	6,021	959	0	0	0	6,980
Capital Outlay	0	0	103,523	0	0	103,523
TOTAL EXPENDITURES	2,839,707	1,953,550	103,523	165,976	132,205	5,194,961
NET CHANGE IN FUND BALANCE	(313,534)	235,845	(85,592)	(47,909)	15,553	(195,637)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR						
	<u>1,233,475</u>	<u>944,098</u>	<u>320,862</u>	<u>29,251</u>	<u>140,516</u>	<u>2,668,202</u>
END OF YEAR	<u>\$ 919,941</u>	<u>\$1,179,943</u>	<u>\$ 235,270</u>	<u>\$ (18,658)</u>	<u>\$ 156,069</u>	<u>\$2,472,565</u>

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Reconciliation of the Statement of Revenues Received, Expenditures
Disbursed, and Changes in Fund Balances (Deficit) - Governmental Funds
to the Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2016

Net Change in Fund Balances - Total Governmental Funds (Combined Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances (Deficit) - Governmental Funds)	\$ (195,637)
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements.	(175,729)
Purchases of capital assets are treated as an expenditure in the fund financial statements.	62,733
Payments of capital lease principal are treated as an expenditure in the fund financial statements.	<u>86,468</u>
Change in Net Assets of Governmental Activities (Statement of Activities - Modified Cash Basis)	<u><u>\$ (222,165)</u></u>

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Fiduciary Funds
Statement of Net Position
December 31, 2016

	Firefighters' Pension
ASSETS	
Cash and Cash Equivalents	\$ 1,181,477
Investments	
U.S. Government and Agency Obligations	25,319
Corporate Bonds	2,891,521
Equity Mutual Funds	6,303,499
	<u>9,220,339</u>
Accrued Interest Receivable	35,413
Prepaid Expense	3,520
Due from Members	26,740
Allowance for Member Repayments	<u>(26,740)</u>
TOTAL ASSETS	<u>10,440,749</u>
LIABILITIES	
Accrued Liabilities	<u>2,043</u>
TOTAL LIABILITIES	<u>2,043</u>
NET POSITION	
Restricted for Pension Benefits	<u>10,438,706</u>
TOTAL NET POSITION	<u><u>\$ 10,438,706</u></u>

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Fiduciary Funds
Statement of Changes in Net Position
December 31, 2016

	Firefighters' Pension
ADDITIONS	
Contributions	
Employer	\$ 979,547
Employee	205,881
Total Contributions	<u>1,185,428</u>
Investment Income	
Interest Earned	319,042
Net Change in Fair Value	365,713
	<u>684,755</u>
Less: Investment Expenses	(15,011)
Net Investment Income	<u>669,744</u>
TOTAL ADDITIONS	<u>1,855,172</u>
DEDUCTIONS	
Administration	37,630
Benefits	1,429,114
Refunds	2,601
TOTAL DEDUCTIONS	<u>1,469,345</u>
CHANGE IN NET POSITION	385,827
NET POSITION	
BEGINNING OF YEAR	<u>10,052,879</u>
END OF YEAR	<u><u>\$ 10,438,706</u></u>

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bensenville Fire Protection District No. 2 (the "District") is located in Bensenville, Illinois and operates under a Board-Manager form of government encompassing areas in DuPage and Cook County. The mission of the District is to provide a variety of fire and medical services to protect the lives and property of fire district residents, fire department personnel, and visitors.

A. Reporting Entity

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

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

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

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS

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

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

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

Governmental Fund Types (Governmental Activities)

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

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 administratively, to be accounted for in another fund.

Ambulance Fund

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

Emergency and Rescue Fund

The Emergency and Rescue Fund is used to account for the proceeds of special revenue sources that are restricted, committed, or assigned to expenditure of fire safety supplies and equipment.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Liability Insurance Fund

The Liability Insurance Fund is used to account for the proceeds of special revenue sources that are restricted, committed, or assigned to expenditure for liability insurance.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than Ambulance, Emergency and Rescue, and Liability Insurance expenses.

Funds included in this fund category are:

- Audit
- Social Security
- Illinois Municipal Retirement
- Foreign Fire Tax

Proprietary Funds Types (Business-Type Activities)

The proprietary fund type is used to account for activities which are similar to those often found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The District has no proprietary fund types.

Fiduciary Fund Types

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

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

The Firefighters' Pension Fund is used to account for assets held in a trustee capacity. The assets are not available to support District programs. The Firefighters' Pension Fund issues a publically available financial report that includes financial statements and required supplementary information. The report can be obtained by contacting the Bensenville Fire Protection District No. 2 at 500 S. York Road, Bensenville, Illinois 60106.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

MAJOR FUNDS

The District reports the following major governmental funds:

- General
- Ambulance
- Emergency and Rescue
- Liability Insurance

NON-MAJOR FUNDS

The District reports the following non-major governmental funds:

- Audit
- Social Security
- Illinois Municipal Retirement
- Foreign Fire Tax

C. Basis of Accounting

Governmental Funds – Modified Cash Basis

Basis of accounting refers to when revenues and expenditures (or expenses) and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting also refers to the timing of the measurements made, regardless of the measurement focus applied. The government-wide Statement of Net Position and Statement of Activities were both prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The fund financial statements were prepared on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when collected and expenditures are recognized when paid. Furthermore, only assets, liabilities, and fund balances arising from cash transactions are recognized.

Accordingly, recognition of receivables, payables, and other accrued or deferred items is not applicable. The difference between the modified cash basis of accounting and the cash basis of accounting is that the former includes capital assets and debt commitments, which the latter does not. Accrued liabilities presented on the Statement of Net Position correspond with payroll and credit card liabilities which are recognized under the modified cash basis of accounting.

Standards established by Generally Accepted Auditing Standards (GAAS) require GAAP for governmental units. Conformance with GAAP would require the financial statements to be prepared on the accrual or modified accrual basis of accounting. Accordingly, these financial statements are not intended to present the financial position and results of operations in conformity with GAAP.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fiduciary Funds – Accrual Basis

The Firefighters' Pension Fund is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan. Fund revenues are recognized when they are earned and expenses are recognized when they are incurred.

D. Measurement Focus

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

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

E. Use of Estimates

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

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Data

Budgets are adopted on a basis consistent with comprehensive basis of accounting other than Generally Accepted Accounting Principles. The District follows these procedures in establishing a budget:

1. The Fire Chief prepares a tentative budget for all funds of the District.
2. The budget document is submitted to the Board of Trustees for review.
3. Public hearings are conducted at a public meeting to obtain taxpayer comments.
4. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal year (March 31).
5. District Board may transfer up to 10% of the total Appropriation between various items within any fund.
6. All unspent budgetary amounts lapse at year-end.
7. Expenditures legally may not exceed the total appropriations at the fund level. No amendments to the budget at this level are allowed without Board approval. Expenditures may not legally exceed appropriations at the fund level.
8. Notice is given and public meetings are conducted to obtain taxpayer comments.

G. Budget Basis of Accounting

The budget is prepared for all funds on the same basis as the basic financial statements. The budget is prepared in accordance with the Illinois Fire District Code and is derived from the combined annual budget and appropriation ordinance of the District. All budgets are prepared based on the annual fiscal year of the District. All budgetary funds are controlled by an integrated budgetary accounting system in accordance with the various legal requirements which govern the District.

H. Cash and Cash Equivalents

The District considers all highly liquid investments with an initial maturity date within three months of the date acquired by the District and investment pools to be cash equivalents.

I. Interfund Receivables and Payables

Amounts due to and due from other funds may arise during the course of the District's operations because of numerous transactions between funds to finance operations, provide services, construct assets, and service debt. Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements. At December 31, 2016, no interfund receivables or payables exist.

J. Capital Assets

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

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, the District has adopted a capitalization threshold of \$500 for capital asset additions. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

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

Buildings	40 to 50 years
Improvements	10 to 20 years
Equipment	5 to 10 years
Vehicles	5 to 10 years

FUND FINANCIAL STATEMENTS

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

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

K. Long-Term Liabilities

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized when paid.

L. Property Taxes

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

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Intergovernmental Agreement

The District has an intergovernmental agreement with Bensenville Fire Protection District No. 1 for providing fire protection and emergency medical services to the residents of District No. 1. Bensenville District No. 1 reimburses the District by disbursing the property tax levy for all property within District No. 1 for which the Bensenville Fire Protection District No. 2 provides fire protection and emergency services for.

N. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

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

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

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity Classifications (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

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

Fund	General	Ambulance	Emergency & Rescue	Liability Insurance	Non-Major Funds	Total
Restricted						
Ambulance	\$ 0	\$ 1,179,943	\$ 0	\$ 0	\$ 0	\$ 1,179,943
Emergency & Rescue	0	0	235,270	0	0	235,270
Audit	0	0	0	0	4,876	4,876
Social Security	0	0	0	0	46,626	46,626
IMRF	0	0	0	0	10,752	10,752
Foreign Fire Tax	0	0	0	0	93,815	93,815
Unassigned	919,941	0	0	(18,658)	0	901,283
	\$ 919,941	\$ 1,179,943	\$ 235,270	\$ (18,658)	\$ 156,069	\$ 2,472,565

O. GASB Pronouncements

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

In June 1999, the GASB issued Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. The requirements of this Statement are effective in three phases based on a government's total revenues in the first year ending after June 15, 1999. The Park District has adopted this Statement for the period beginning January 1, 2004.

As of January 1, 2014, the District has implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows or Resources, and Net Position". The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position.

As of January 1, 2014, the District has implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. GASB Pronouncements (Continued)

As of January 1, 2015, the District has implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Upon implementation of GASB 68, the District has also implemented GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

P. Transfers

During the normal course of Fire Protection District operations, transfers between funds arise to reimburse individual funds for expenditures/expenses incurred for the benefit of other funds. Typical expenses in the category are general administrative and maintenance expenses. There were no transfers during the year ended December 31, 2016.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Bank Deposits and Investments

At December 31, 2016, the carrying amount of the District's deposits in the governmental funds was \$2,485,080, not including a petty cash balance \$300, and the bank balance was \$2,524,955. The deposits are categorized in accordance with risk factors created by governmental reporting standards. The following table categorizes the District's cash and cash equivalents according to levels of custodial credit risk.

Category	Bank Balances	Carrying Amount
Deposits covered by depository insurance or collateralized, with securities held by the District or by its agent in the District's name.	\$ 343,815	\$ 343,815
Deposits which are collateralized, with securities held by the pledging financial institution's trust department or agent in the District's name.	0	0
Deposits which are collateralized with securities held by the pledging financial institution, by its trust department, or by its agent but not in the District's name. This category also includes uncollateralized deposits.	2,181,140	2,141,265
Total Bank Deposits	\$ 2,524,955	\$ 2,485,080

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Bank Deposits and Investments (Continued)

At December 31, 2016, the carrying amount of the District's deposits in the Firefighters' Pension fund was \$1,181,477 and the bank balance was \$1,181,531 .

B. Policies for Investments

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name.

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

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Firefighters' Pension Fund's investment policy, the Firefighters' Pension Fund will remain sufficiently liquid to enable to Fund to meet all operating requirements which might be reasonably anticipated. The following table categorizes the investments held by the Firefighters' Pension Fund according to levels of risk:

Investment Category	Investment Maturities by Years				
	Fair Value	< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
Government Nation Mortgage Association	\$ 25,319	\$ 0	\$ 0	\$ 2,915	\$ 22,404
Corporate Bonds	2,891,521	596,410	1,781,229	513,882	0
Total	<u>\$ 2,916,840</u>	<u>\$ 596,410</u>	<u>\$ 1,781,229</u>	<u>\$ 516,797</u>	<u>\$ 22,404</u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

D. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters' Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Firefighters' Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. Government Agencies and State and Local obligations were all rated AAA by Standard & Poor's or by Moody's Investors Services. The Firefighters' Pension Fund's investment policy also prescribes the "prudent person" rule, which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

E. 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. At December 31, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance. For an investment, this is the risk that, in the event of the failure of the counterparty, the Firefighters' Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Illinois Funds, money market mutual funds and equity mutual funds are not subject to custodial credit risk. In accordance the Firefighters' Pension Fund's Investment Policy, the Firefighters' Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighters' Pension Fund, to act as custodian for its securities and collateral.

F. Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the Pension Fund's investment in a single issuer. As required by the Pension Fund's investment policy, the Fund diversifies "the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized." At year-end, the District does not have any investments over 5 percent (other than investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments). The investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

F. Concentration of Credit Risk (Continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash & Cash Equivalents	5.00%	0.00%
Fixed Income	30.00%	.74% - 5.03%
Equities	65.00%	5.91% - 12.01%

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the year follows. Total depreciation expense for governmental activities was \$175,729.

	Balance at December 31, 2015	Additions	Retirements	Balance at December 31, 2016
Capital Assets, Not Subject to Depreciation				
Land	\$ 115,000	\$ 0	\$ 0	\$ 115,000
Capital Assets Subject to Depreciation				
Building	2,259,000	0	0	2,259,000
Vehicles	1,980,889	20,000	0	2,000,889
Equipment	374,765	42,733	0	417,498
Improvements	165,067	0	0	165,067
Subtotal	4,779,721	62,733	0	4,842,454
Less Accumulated Depreciation				
Building	(472,231)	(57,923)	0	(530,154)
Vehicles	(1,864,742)	(61,343)	0	(1,926,085)
Equipment	(215,783)	(45,459)	0	(261,242)
Improvements	(27,019)	(11,004)	0	(38,023)
Subtotal	(2,579,775)	(175,729)	0	(2,755,504)
Net Capital Assets	\$ 2,314,946	\$ (112,996)	\$ 0	\$ 2,201,950

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 4 – DEBT COMMITMENTS

A summary of changes in long-term debt for the year ended December 31, 2016 is as follows:

Type	Balance at December 31, 2015	Advances	Repayments	Balance at December 31, 2016	Amount Due Within One Year
Municipal Funding Solutions					
\$348,000 - Toyne Pumper	\$ 183,198	\$ 0	\$ (43,920)	\$ 139,278	\$ 45,150
\$100,000 - Ambulance	34,258	0	(34,258)	0	0
\$25,741 - Ford Explorer	25,741	0	(8,290)	17,451	8,577
	<u>\$ 243,197</u>	<u>\$ 0</u>	<u>\$ (86,468)</u>	<u>\$ 156,729</u>	<u>\$ 53,727</u>

On May 2, 2011, the District entered into a capital lease agreement with Municipal Funding Solutions, LLC in the amount of \$348,000 for the purchase of a Toyne 1500 GPM Custom Pumper. The agreement is due in annual installments of \$49,050. Future payments on the Toyne Pumper capital lease are as follows:

Year Ending	Principal	Interest
2017	\$ 45,150	\$ 3,900
2018	46,414	2,636
2019	47,714	1,336
	<u>\$ 139,278</u>	<u>\$ 7,872</u>

On September 8, 2015, the District entered into a capital lease agreement with Municipal Funding Solutions, LLC in the amount of \$25,471 for the purchase of a Ford Explorer. The agreement is due in annual installments of \$9,181. Future payments on the Ford Explorer capital lease are as follows:

Year Ending	Principal	Interest
2017	\$ 8,577	\$ 604
2018	8,874	307
	<u>\$ 17,451</u>	<u>\$ 911</u>

NOTE 5 – LEGAL DEBT MARGIN

Legal debt margin is the percent of the District's assessed valuation which is subject to debt limitation. The statutory debt limitation for the District is 5.75%. The District's legal debt margin limitation is as follows for the fiscal year ended December 31, 2016:

Assessed Valuation - Tax Year 2015	<u>\$ 479,008,493</u>
Statutory Debt Limitation (5.75% of Assessed Valuation)	27,542,988
Amount of Debt Applicable to Debt Limitation	<u>0</u>
Legal Debt Margin	<u>\$ 27,542,988</u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 6 – DEFICIT FUND BALANCES AND EXPENDITURES OVER BUDGET

At December 31, 2016, the liability insurance fund had a deficit fund balance of \$(18,658).

For the year ended December 31, 2016, the following funds had actual expenditures in excess of budgeted expenditures:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Liability Insurance	\$ 144,000	\$ 165,976	\$ (21,976)
IMRF	13,500	15,821	(2,321)

NOTE 7 – PURCHASE COMMITMENT

On October 20, 2016, the District entered into a capital lease agreement with Fire Service, Inc. in the amount of \$951,331 for the purchase of a tower ladder. As of December 31, 2016, the District has not received delivery of the tower ladder. As the agreement is contingent upon satisfactory delivery, a capital lease obligation has not been recorded for this agreement as of December 31, 2016.

NOTE 8 – SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is DRAFT DATE, the date the financial statements were available to be issued.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, injuries to employees, employees' health and life, and natural disasters. The District's risk management activities are recorded in the General Fund, Ambulance Fund, & Liability Insurance Fund. Torts, physical property loss and natural disasters are covered by Emergency Service Organizations Insurance Agency, Inc. purchased by the District. Workers' compensation is managed by a risk management fund with other governmental agencies. Currently, there is no pending litigation within the District. For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND

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

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate used for calendar year 2015 was 8.79 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2015 was \$10,091.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

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

Actuarial Valuation Date	December 31, 2015
Measurement Date of the Net Pension Liability	December 31, 2015
Fiscal Year End	December 31, 2016
Membership	
Number of	
- Retirees and Beneficiaries	0
- Inactive, Non-Retired Members	0
- Active Members	<u>2</u>
- Total	<u><u>2</u></u>
Covered Valuation Payroll	<u><u>\$ 114,797</u></u>
Net Pension Liability	
Total Pension Liability/(Asset)	\$ 100,903
Plan Fiduciary Net Position	<u>77,281</u>
Net Pension Liability/(Asset)	<u><u>\$ 23,622</u></u>
Plan Fiduciary Net Position as a Percentage of total Pension liability	76.59%
Net Pension Liability as a Percentage of Covered Valuation Payroll	20.58%
Development of the Single Discount Rate as of December 31, 2015	
Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.57%
Last year December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded	2088
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate Calculated using December 31, 2014 Measurement Date	7.50%
Total Pension Expense/(Income)	<u><u>\$ 11,256</u></u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

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

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	\$ 5,570	\$ 0
2. Assumption Changes	1,435	0
3. Net Difference between projected and actual earnings on pension plan investments	4,479	0
4. Total	<u>\$ 11,484</u>	<u>\$ 0</u>

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

Fiscal Year Ending December 31	Net Deferred Outflows of Resources	
2017	\$	1,666
2018		1,666
2019		1,668
2020		1,507
2021		507
Thereafter		4,470
Total	<u>\$</u>	<u>11,484</u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD

Calendar Year Ended December 31, 2015

A. Total pension liability		
1. Service cost	\$	9,047
2. Interest on the total pension liability		6,449
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the total pension liability		3,938
5. Changes of assumptions		0
6. Benefit payments, including refunds of employee contributions		0
7. Net change in total pension liability		19,434
8. Total pension liability – beginning		81,469
9. Total pension liability – ending	\$	<u>100,903</u>
B. Plan fiduciary net position		
1. Contributions – employer	\$	10,090
2. Contributions – employee		5,166
3. Net investment income		370
4. Benefit payments, including refunds of employee contributions		0
5. Other (net transfer)		(4,630)
6. Net change in plan fiduciary net position		10,996
7. Plan fiduciary net position – beginning		66,285
8. Plan fiduciary net position – ending	\$	<u>77,281</u>
C. Net pension liability/(asset)	\$	<u>23,622</u>
D. Plan fiduciary net position as a percentage of the total pension liability		76.59%
E. Covered Valuation Payroll		114,797
F. Net pension liability as a percentage of covered valuation payroll		20.58%

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

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

Methods and Assumptions Used to Determine Total Pension Liability:

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

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

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 10 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.50%.

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

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 131,313	\$ 100,903	\$ 78,074
Plan Fiduciary Net Position	77,281	77,281	77,281
Net Pension Liability/(Asset)	<u>\$ 54,032</u>	<u>\$ 23,622</u>	<u>\$ 793</u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 11 – FIREFIGHTERS’ PENSION PLAN

Firefighter’s Plan Description. The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn Firefighters’ personnel. The Firefighters’ Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.455% of their annual covered payroll. The District is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan the defined benefits and contribution requirements of the plan members and the District are governed by Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings. At December 31, 2016, the date of the latest actuarial valuation, the Firefighters’ Pension Plan membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	23
Inactive Plan Members Entitled to but Not Receiving Benefits	1
Active Plan Members	22
	<u>46</u>

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

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters’ Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For the year-ended December 31, 2014, the District’s contribution was 51.72% of covered payroll. The District is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the District to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 11 – FIREFIGHTERS’ PENSION PLAN (CONTINUED)

For the year ended December 31, 2016, the District recognized pension expense of \$1,496,826. At December 31, 2016, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

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

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	\$ 0	\$ 1,111,640
2. Assumption Changes	0	2,118,973
3. Net Difference between projected and actual earnings on pension plan investments	451,000	0
4. Total	<u>\$ 451,000</u>	<u>\$ 3,230,613</u>

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

Fiscal Year Ending December 31	Net Deferred Inflows of Resources	
2017	\$	355,009
2018		355,009
2019		355,012
2020		498,934
2021		503,741
Thereafter		711,908
Total	<u>\$</u>	<u>2,779,613</u>

Bensenville Fire Protection District No. 2
IMRF Pension Disclosures
For the Year Ended December 31, 2016

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

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

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Last 10 Plan Years (When Available)

<u>Plan Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	\$ 6,717 *	\$ 6,718	\$ (1)	\$ 84,284	7.97%
2015	10,091	10,090	1	114,797	8.79%

* Estimated based on contribution rate of 8.79% and covered valuation payroll of \$114,797.

Bensenville Fire Protection District No. 2
IMRF Pension Disclosures (Continued)
For the Year Ended December 31, 2016

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

<p>Actuarial Cost Method Amortization Method Remaining Amortization Period</p>	<p>Aggregate Entry-Age Normal Level Percentage of Payroll, Closed Non-Taxing bodies : 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).</p>
<p>Asset Valuation Method Wage Growth Price Inflation</p>	<p>5-Year smoothed market; 20% corridor 4.00% 3.0% - approximate; No explicit price inflation assumption is used in this valuation.</p>
<p>Salary Increases Investment Rate of Return Retirement Age</p>	<p>4.40% to 16.00% including inflation 7.50% Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.</p>
<p>Mortality</p>	<p>RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives , the mortality rates are the rates applicable to non-disabled lives set forward 10 years.</p>

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

Bensenville Fire Protection District No. 2
IMRF Pension Disclosures (Continued)
For the Year Ended December 31, 2016

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

Plan Year Ending December 31,	2015	2014
Total pension liability		
Service cost	\$ 9,047	\$ 9,472
Interest on the total pension liability	6,449	5,088
Changes of benefit terms	0	0
Difference between expected and actual experience of the total pension liability	3,938	2,171
Changes of assumptions	0	1,631
Benefit payments, including refunds of employee contributions	0	0
Net change in total pension liability	<u>19,434</u>	<u>18,362</u>
Total pension liability— beginning	<u>81,469</u>	<u>63,107</u>
Total pension liability – ending	<u><u>\$ 100,903</u></u>	<u><u>\$ 81,469</u></u>
Plan fiduciary net position		
Contributions – employer	\$ 10,090	\$ 6,718
Contributions – employee	5,166	3,793
Net investment income	370	3,530
Benefit payments, including refunds of employee contributions	0	0
Other (net transfer)	<u>(4,630)</u>	<u>(375)</u>
Net change in plan fiduciary net position	10,996	13,666
Plan fiduciary net position		
Beginning	<u>66,285</u>	<u>52,619</u>
Ending	<u><u>\$ 77,281</u></u>	<u><u>\$ 66,285</u></u>
Net pension liability / (asset)	<u><u>\$ 23,622</u></u>	<u><u>\$ 15,184</u></u>
Plan fiduciary net position as a percent of the total pension liability	76.59%	81.36%
Covered Valuation Payroll	\$ 114,797	\$ 84,284
Net pension liability as a percent of covered valuation payroll	20.58%	18.02%

**Bensenville Fire Protection District No. 2
 Firefighters' Pension Disclosures
 For the Year Ended December 31, 2016**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 1,050,882	\$ 591,714	\$ (459,168)	\$ 1,767,347	33.48%
2015	1,142,058	716,084	(425,974)	1,939,968	36.91%
2016	1,272,135	979,547	(292,588)	1,894,036	51.72%

Actuarial Cost Method Entry Age Normal
 Amortization Method Level % Pay (Closed)
 Remaining Amortization Period 100% Funded in Year 2040
 Asset Valuation Method 5 Year Smoothed
 Inflation 3.00%
 Salary Increases 3.75% - 20%
 Investment Rate of Return 7.00%
 Retirement Age See the Notes to the Financial Statements
 Mortality An independent actuary assumption study for Firefighters 2012.

SCHEDULE OF INVESTMENT RETURNS

Fiscal Year	Rate of Return, Net of Investment Expense
2014	6.13%
2015	(0.09)%
2016	6.84%

Bensenville Fire Protection District No. 2
Firefighters' Pension Disclosures (Continued)
For the Year Ended December 31, 2016

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 1,054,306	\$ 842,112	\$ 820,340
Interest	1,528,344	1,785,183	1,894,059
Changes in Benefit Terms	0	0	0
Differences Between Expected and Actual Experience	0	(447,153)	(892,883)
Change of Assumptions	0	(1,178,180)	(1,423,982)
Benefit Payments, Including Refunds of Member Contributions	(1,320,988)	(1,389,673)	(1,431,715)
Net Change in Total Pension Liability	1,261,662	(387,711)	(1,034,181)
Total Pension Liability - Beginning	39,549,649	40,811,311	40,423,600
Total Pension Liability - Ending	<u>\$ 40,811,311</u>	<u>\$ 40,423,600</u>	<u>\$ 39,389,419</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 591,714	\$ 716,085	\$ 979,547
Contributions - Members	162,911	177,866	205,881
Contributions - Other	0	0	0
Net Investment Income	585,351	(8,912)	669,744
Benefit Payments, Including Refunds of Member Contributions	(1,320,988)	(1,389,673)	(1,431,715)
Administrative Expense	(47,308)	(45,297)	(37,630)
Net Change in Plan Fiduciary Net Position	(28,320)	(549,931)	385,827
Plan Net Position - Beginning	10,631,130	10,602,810	10,052,879
Plan Net Position - Ending	<u>\$ 10,602,810</u>	<u>\$ 10,052,879</u>	<u>\$ 10,438,706</u>
Net Pension Liability	<u>\$ 30,208,501</u>	<u>\$ 30,370,721</u>	<u>\$ 28,950,713</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.98%	24.87%	26.50%
Covered-Employee Payroll	1,767,347	1,939,968	1,894,036
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	1709.26%	1565.53%	1528.52%

Bensenville Fire Protection District No. 2
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,388,000	\$ 2,388,000	\$ 2,281,354	\$ (106,646)
Intergovernmental	145,000	145,000	134,417	(10,583)
Professional Education	64,000	64,000	65,312	1,312
Grants	120,000	120,000	0	(120,000)
Illinois Municipal League	34,000	34,000	0	(34,000)
Cell Tower Rental	18,540	18,540	18,433	(107)
Service Fees	5,000	5,000	14,883	9,883
Interest Income	8,000	8,000	9,047	1,047
Donations	4,000	4,000	2,727	(1,273)
Sale of Capital Equipment	250,000	250,000	0	(250,000)
TOTAL REVENUES	3,036,540	3,036,540	2,526,173	(510,367)
EXPENDITURES				
Fire Protection				
Administration	2,596,275	2,596,275	2,538,462	57,813
Fire Service Apparatus	107,000	107,000	107,962	(962)
Telecommunication	82,800	82,800	82,080	720
Fire Station	35,700	35,700	32,600	3,100
Education and Training	16,750	16,750	15,200	1,550
Fire Prevention	3,100	3,100	5,172	(2,072)
Debt Service				
Capital Lease Principal	0	0	52,210	(52,210)
Capital Lease Interest	0	0	6,021	(6,021)
Capital Outlay	61,050	61,050	0	61,050
TOTAL EXPENDITURES	2,902,675	2,902,675	2,839,707	62,968
NET CHANGE IN FUND BALANCE	\$ 133,865	\$ 133,865	(313,534)	\$ (447,399)
FUND BALANCE, BEGINNING OF YEAR			1,233,475	
END OF YEAR			\$ 919,941	

Other Information

Bensenville Fire Protection District No. 2
Ambulance Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,590,000	\$ 1,590,000	\$ 1,509,599	\$ (80,401)
Service Fees	620,000	620,000	679,796	59,796
TOTAL REVENUES	<u>2,210,000</u>	<u>2,210,000</u>	<u>2,189,395</u>	<u>(20,605)</u>
EXPENDITURES				
Ambulance Service				
Administration	1,843,417	1,843,417	1,783,124	60,293
Ambulance Apparatus and EMS	59,500	59,500	57,333	2,167
Telecommunication	57,700	57,700	58,230	(530)
Ambulance - Station	16,800	16,800	13,127	3,673
Education and Training	4,500	4,500	6,519	(2,019)
Debt Service				
Capital Lease Principal	34,258	34,258	34,258	0
Capital Lease Interest	959	959	959	0
TOTAL EXPENDITURES	<u>2,017,134</u>	<u>2,017,134</u>	<u>1,953,550</u>	<u>63,584</u>
NET CHANGE IN FUND BALANCE	<u>\$ 192,866</u>	<u>\$ 192,866</u>	235,845	<u>\$ 42,979</u>
FUND BALANCE, BEGINNING OF YEAR			<u>944,098</u>	
END OF YEAR			<u>\$ 1,179,943</u>	

Bensenville Fire Protection District No. 2
Emergency and Rescue Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 18,900	\$ 18,900	\$ 17,931	\$ (969)
TOTAL REVENUES	<u>18,900</u>	<u>18,900</u>	<u>17,931</u>	<u>(969)</u>
EXPENDITURES				
Capital Outlay				
Rescue Supplies	1,000	1,000	736	264
Rescue Equipment and Repair	1,000	1,000	2,971	(1,971)
SCBA Repair and Maintenance	6,500	6,500	11,320	(4,820)
Small Tools	0	0	3,831	(3,831)
Rescue New Equipment	30,000	30,000	58,796	(28,796)
Fire Academy SCBA Repair	3,000	3,000	1,859	1,141
Meter Calibration and Repair	500	500	76	424
Fire Academy New Equipment	3,550	3,550	329	3,221
New Meters	750	750	3,605	(2,855)
New Ambulance	40,000	40,000	20,000	20,000
New Ladder Truck	60,000	60,000	0	60,000
New Station	75,000	75,000	0	75,000
TOTAL EXPENDITURES	<u>221,300</u>	<u>221,300</u>	<u>103,523</u>	<u>117,777</u>
NET CHANGE IN FUND BALANCE	<u>\$ (202,400)</u>	<u>\$ (202,400)</u>	<u>(85,592)</u>	<u>\$ 116,808</u>
FUND BALANCE, BEGINNING OF YEAR			<u>320,862</u>	
END OF YEAR			<u>\$ 235,270</u>	

Bensenville Fire Protection District No. 2
Liability Insurance Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 124,000	\$ 124,000	\$ 118,067	\$ (5,933)
TOTAL REVENUES	<u>124,000</u>	<u>124,000</u>	<u>118,067</u>	<u>(5,933)</u>
EXPENDITURES				
Fire Protection				
Workers' Compensation Insurance	100,000	100,000	126,356	(26,356)
Liability Insurance	24,000	24,000	24,279	(279)
Workers Compensation Wages	20,000	20,000	15,341	4,659
TOTAL EXPENDITURES	<u>144,000</u>	<u>144,000</u>	<u>165,976</u>	<u>(21,976)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	<u>(47,909)</u>	<u>\$ (27,909)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>29,251</u>	
END OF YEAR			<u>\$ (18,658)</u>	

Bensenville Fire Protection District No. 2
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
FIRE PROTECTION				
Administration				
Personnel Wages	1,375,975	\$ 1,375,975	\$ 1,377,379	\$ (1,404)
Insurance Premiums	204,000	204,000	244,716	(40,716)
Pension Contributions	700,000	700,000	679,546	20,454
Pension Fund - On-Behalf Payments	150,000	150,000	150,000	0
Contract Services	30,000	30,000	27,604	2,396
Contingent	10,000	10,000	1,095	8,905
Association Dues	9,000	9,000	7,354	1,646
Uniforms	12,000	12,000	16,770	(4,770)
Office Equipment	8,000	8,000	0	8,000
Personnel	6,000	6,000	2,718	3,282
Physical and Fitness Test	1,000	1,000	851	149
Grant Matching	72,500	72,500	10,053	62,447
Office Supplies and Maintenance	4,000	4,000	1,988	2,012
Convention - Trustees	1,000	1,000	2,002	(1,002)
Fire Commissioners	12,000	12,000	10,452	1,548
Legal Publications	500	500	497	3
Miscellaneous	0	0	4,573	(4,573)
Bank Charges	300	300	864	(564)
	<u>2,596,275</u>	<u>2,596,275</u>	<u>2,538,462</u>	<u>57,813</u>
Fire Service Apparatus				
Apparatus Repairs and Maintenance	70,000	70,000	91,755	(21,755)
Apparatus Gasoline	37,000	37,000	16,207	20,793
	<u>107,000</u>	<u>107,000</u>	<u>107,962</u>	<u>(962)</u>
Telecommunication				
Central Dispatch	58,500	58,500	58,451	49
Telephone	18,000	18,000	17,655	345
New Equipment	3,500	3,500	3,280	220
Maintenance	2,800	2,800	2,694	106
	<u>82,800</u>	<u>82,800</u>	<u>82,080</u>	<u>720</u>
Fire Station				
Electricity	7,500	7,500	9,219	(1,719)
Gas and Heat	7,500	7,500	3,593	3,907
Sewer and Water	4,200	4,200	5,497	(1,297)
Accumulation for Site and Building	8,000	8,000	4,809	3,191
Station Maintenance	5,000	5,000	7,284	(2,284)
Station Supplies	3,500	3,500	2,198	1,302
	<u>35,700</u>	<u>35,700</u>	<u>32,600</u>	<u>3,100</u>
Education and Training				
Training and Education	15,000	15,000	14,254	746
Training Supplies and Equipment	1,000	1,000	625	375
Subscriptions and Books	750	750	321	429
	<u>\$ 16,750</u>	<u>\$ 16,750</u>	<u>\$ 15,200</u>	<u>\$ 1,550</u>

Bensenville Fire Protection District No. 2
General Fund
Schedule of Expenditures - Budget and Actual (Continued)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
FIRE PROTECTION (CONTINUED)				
Fire Prevention				
Public Education	\$ 900	\$ 900	\$ 2,676	\$ (1,776)
Response Program	2,000	2,000	1,772	228
Prevention Pre-planning and Arson	200	200	724	(524)
	<u>3,100</u>	<u>3,100</u>	<u>5,172</u>	<u>(2,072)</u>
TOTAL FIRE PROTECTION	<u>2,841,625</u>	<u>2,841,625</u>	<u>2,781,476</u>	<u>60,149</u>
DEBT SERVICE				
Capital Lease Principal	0	0	52,210	(52,210)
Capital Lease Interest	0	0	6,021	(6,021)
TOTAL DEBT SERVICE	<u>0</u>	<u>0</u>	<u>58,231</u>	<u>(58,231)</u>
CAPITAL OUTLAY				
Apparatus Replacement	49,050	49,050	0	49,050
Vehicle Replacement	12,000	12,000	0	12,000
TOTAL CAPITAL OUTLAY	<u>61,050</u>	<u>61,050</u>	<u>0</u>	<u>61,050</u>
TOTAL EXPENDITURES	<u>\$ 2,902,675</u>	<u>\$ 2,902,675</u>	<u>\$ 2,839,707</u>	<u>\$ 62,968</u>

Bensenville Fire Protection District No. 2
Ambulance Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
AMBULANCE SERVICE				
Administration				
Personnel Wages	\$ 917,317	\$ 917,317	\$ 945,652	\$ (28,335)
Personnel Wages (7G Agreement)	10,000	10,000	28,242	(18,242)
Personnel Wages Part-Time	495,000	495,000	464,776	30,224
Pension Contributions	150,000	150,000	150,000	0
Insurance Premiums	136,000	136,000	103,664	32,336
Medical Billing	33,000	33,000	36,138	(3,138)
Contract Services	16,000	16,000	29,548	(13,548)
Contingent	18,000	18,000	650	17,350
Office Equipment	4,000	4,000	6,325	(2,325)
Office Supplies and Maintenance	3,500	3,500	2,688	812
Personnel	3,000	3,000	2,440	560
Grant Matching	46,000	46,000	2,431	43,569
Uniforms - Academy	1,000	1,000	231	769
Legal Publications	600	600	400	200
Accreditation	10,000	10,000	9,939	61
	<u>1,843,417</u>	<u>1,843,417</u>	<u>1,783,124</u>	<u>60,293</u>
Ambulance Apparatus and EMS				
Ambulance Gasoline	25,000	25,000	10,709	14,291
Ambulance Repairs and Maintenance	17,500	17,500	27,110	(9,610)
New Equipment	5,000	5,000	8,163	(3,163)
EMS Supplies	12,000	12,000	11,351	649
	<u>59,500</u>	<u>59,500</u>	<u>57,333</u>	<u>2,167</u>
Telecommunication				
Maintenance and New Equipment	2,700	2,700	3,406	(706)
Central Dispatch	39,000	39,000	41,610	(2,610)
Telephone	16,000	16,000	13,214	2,786
	<u>57,700</u>	<u>57,700</u>	<u>58,230</u>	<u>(530)</u>
Ambulance - Station				
Electricity	5,000	5,000	4,017	983
Gas and Heat	4,100	4,100	1,746	2,354
Sewer and Water	2,200	2,200	1,945	255
Station Maintenance	3,000	3,000	3,791	(791)
Station Supplies	2,500	2,500	1,628	872
	<u>16,800</u>	<u>16,800</u>	<u>13,127</u>	<u>3,673</u>
Education and Training				
Training and Education	2,000	2,000	1,519	481
Fitness Program	2,500	2,500	5,000	(2,500)
	<u>4,500</u>	<u>4,500</u>	<u>6,519</u>	<u>(2,019)</u>
TOTAL AMBULANCE SERVICE	<u>1,981,917</u>	<u>1,981,917</u>	<u>1,918,333</u>	<u>63,584</u>
DEBT SERVICE				
Capital Lease Principal	34,258	34,258	34,258	0
Capital Lease Interest	959	959	959	0
TOTAL DEBT SERVICE	<u>35,217</u>	<u>35,217</u>	<u>35,217</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,017,134</u>	<u>\$ 2,017,134</u>	<u>\$ 1,953,550</u>	<u>\$ 63,584</u>

Bensenville Fire Protection District No. 2
Non-Major Governmental Funds
Combining Schedule of Assets, Deferred Outflows, Liabilities, Deferred Inflows
and Fund Balances - Modified Cash Basis - Governmental Funds
December 31, 2016

	Special Revenue Funds				Total
	Audit	Social Security	IMRF	Foreign Fire Tax	
ASSETS					
Cash	\$ 4,876	\$ 46,626	\$ 10,752	\$ 93,815	\$ 156,069
TOTAL ASSETS	4,876	46,626	10,752	93,815	156,069
TOTAL DEFERRED OUTFLOWS	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	4,876	46,626	10,752	93,815	156,069
TOTAL LIABILITIES	0	0	0	0	0
TOTAL DEFERRED INFLOWS	0	0	0	0	0
FUND BALANCES					
Restricted	4,876	46,626	10,752	93,815	156,069
TOTAL FUND BALANCES	4,876	46,626	10,752	93,815	156,069
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 4,876	\$ 46,626	\$ 10,752	\$ 93,815	\$ 156,069

Bensenville Fire Protection District No. 2
Non-Major Governmental Funds
Combining Schedule of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds				Total
	Audit	Social Security	IMRF	Foreign Fire Tax	
REVENUES					
Property Taxes	\$ 7,948	\$ 86,147	\$ 13,427	\$ 0	\$ 107,522
Illinois Municipal League	0	0	0	40,195	40,195
Interest	0	0	0	41	41
TOTAL REVENUES	<u>7,948</u>	<u>86,147</u>	<u>13,427</u>	<u>40,236</u>	<u>147,758</u>
EXPENDITURES					
Fire Protection					
Audit	7,500	0	0	0	7,500
Social Security	0	80,504	0	0	80,504
IMRF Contributions	0	0	15,821	0	15,821
Foreign Fire Expenditures	0	0	0	28,380	28,380
TOTAL EXPENDITURES	<u>7,500</u>	<u>80,504</u>	<u>15,821</u>	<u>28,380</u>	<u>132,205</u>
NET CHANGE IN FUND BALANCE	448	5,643	(2,394)	11,856	15,553
FUND BALANCES,					
 BEGINNING OF YEAR	<u>4,428</u>	<u>40,983</u>	<u>13,146</u>	<u>81,959</u>	<u>140,516</u>
 END OF YEAR	<u>\$ 4,876</u>	<u>\$ 46,626</u>	<u>\$ 10,752</u>	<u>\$ 93,815</u>	<u>\$ 156,069</u>

Bensenville Fire Protection District No. 2
Audit Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 10,000	\$ 10,000	\$ 7,948	\$ (2,052)
TOTAL REVENUES	<u>10,000</u>	<u>10,000</u>	<u>7,948</u>	<u>(2,052)</u>
EXPENDITURES				
Fire Protection				
Audit	8,000	8,000	7,500	500
TOTAL EXPENDITURES	<u>8,000</u>	<u>8,000</u>	<u>7,500</u>	<u>500</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	<u>\$ 2,000</u>	\$ 448	<u>\$ (1,552)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>4,428</u>	
END OF YEAR			<u>\$ 4,876</u>	

Bensenville Fire Protection District No. 2
Social Security Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 90,000	\$ 90,000	\$ 86,147	\$ (3,853)
TOTAL REVENUES	<u>90,000</u>	<u>90,000</u>	<u>86,147</u>	<u>(3,853)</u>
EXPENDITURES				
Fire Protection				
Social Security and Medicare	90,000	90,000	80,504	9,496
TOTAL EXPENDITURES	<u>90,000</u>	<u>90,000</u>	<u>80,504</u>	<u>9,496</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	5,643	<u>\$ 5,643</u>
FUND BALANCE, BEGINNING OF YEAR			<u>40,983</u>	
END OF YEAR			<u>\$ 46,626</u>	

Bensenville Fire Protection District No. 2
Illinois Municipal Retirement Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 13,500	\$ 13,500	\$ 13,427	\$ (73)
TOTAL REVENUES	<u>13,500</u>	<u>13,500</u>	<u>13,427</u>	<u>(73)</u>
EXPENDITURES				
Fire Protection				
IMRF Contributions	13,500	13,500	15,821	(2,321)
TOTAL EXPENDITURES	<u>13,500</u>	<u>13,500</u>	<u>15,821</u>	<u>(2,321)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	(2,394)	<u>\$ (2,394)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>13,146</u>	
END OF YEAR			<u>\$ 10,752</u>	

Bensenville Fire Protection District No. 2
Foreign Fire Tax Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes
in Fund Balance - No Legally Adopted Budget
For the Year Ended December 31, 2016

REVENUES	
Illinois Municipal League	\$ 40,195
Interest	41
TOTAL REVENUES	<u>40,236</u>
EXPENDITURES	
Fire Protection	
Foreign Fire Expenditures	<u>28,380</u>
TOTAL EXPENDITURES	<u>28,380</u>
NET CHANGE IN FUND BALANCE	11,856
FUND BALANCE,	
 BEGINNING OF YEAR	<u>81,959</u>
 END OF YEAR	<u><u>\$ 93,815</u></u>

Bensenville Fire Protection District No. 2
Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections
For the Year Ended December 31, 2016

Tax Year	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Valuation	\$ 736,615,810	\$ 743,843,078	\$ 678,084,846	\$ 606,387,858	\$ 542,602,682	\$ 521,803,489	\$ 506,480,362	\$ 479,008,493
Tax Rates								
Corporate	0.2106	0.2186	0.2336	0.2654	0.2987	0.3098	0.3211	0.3215
IMRF	0.0004	0.0014	0.0011	0.0012	0.0017	0.0018	0.0025	0.0027
Audit	0.0007	0.0009	0.0011	0.0023	0.0019	0.0019	0.0021	0.0016
Liability Insurance	0.0099	0.0101	0.0114	0.0130	0.0169	0.0177	0.0201	0.0237
Pension	0.0461	0.0402	0.0486	0.0552	0.0751	0.0780	0.0804	0.0811
Social Security and Medicare	0.0004	0.0032	0.0036	0.0082	0.0075	0.0079	0.0161	0.0173
Ambulance	0.1844	0.1917	0.2160	0.2453	0.2806	0.2921	0.3011	0.3030
Emergency and Rescue	0.0145	0.0148	0.0117	0.0084	0.0065	0.0060	0.0151	0.0036
Fire Pension Exempt	0.0035	0.0035	0.0190	0.0226	0.0379	0.0390	0.0529	0.0552
	<u>0.4705</u>	<u>0.4844</u>	<u>0.5461</u>	<u>0.6216</u>	<u>0.7268</u>	<u>0.7542</u>	<u>0.8114</u>	<u>0.8097</u>
Tax Extensions								
Corporate	\$ 1,551,313	\$ 1,626,040	\$ 1,584,004	\$ 1,609,353	\$ 1,621,668	\$ 1,584,387	\$ 1,595,177	\$ 1,540,012
IMRF	2,946	10,413	7,646	7,276	9,229	9,206	12,420	12,933
Audit	2,156	6,694	7,725	13,946	10,315	9,717	10,432	7,664
Liability Insurance	72,925	75,128	77,221	78,830	91,751	90,522	99,854	113,525
Pension	339,580	299,024	329,600	334,726	407,724	398,909	399,415	388,476
Social Security and Medicare	2,946	23,802	24,466	49,723	40,718	40,402	79,983	82,869
Ambulance	1,358,320	1,425,947	1,464,909	1,487,469	1,523,401	1,493,865	1,495,820	1,451,396
Emergency and Rescue	106,809	110,088	79,239	50,936	35,289	30,685	75,015	17,244
Fire Pension Exempt	25,782	25,750	128,750	137,140	206,000	199,455	262,799	264,413
	<u>\$ 3,462,777</u>	<u>\$ 3,602,886</u>	<u>\$ 3,703,560</u>	<u>\$ 3,769,399</u>	<u>\$ 3,946,095</u>	<u>\$ 3,857,148</u>	<u>\$ 4,030,915</u>	<u>\$ 3,878,532</u>
Tax Collections	<u>\$ 3,421,159</u>	<u>\$ 3,530,130</u>	<u>\$ 3,616,989</u>	<u>\$ 3,725,211</u>	<u>\$ 3,856,617</u>	<u>\$ 3,803,692</u>	<u>\$ 4,017,969</u>	<u>\$ 3,857,934</u>
Percentage Collected	<u>98.80%</u>	<u>97.98%</u>	<u>97.66%</u>	<u>98.83%</u>	<u>97.73%</u>	<u>98.61%</u>	<u>99.68%</u>	<u>99.47%</u>