

Bensenville Fire Protection District No. 2
Bensenville, Illinois

Annual Financial Report



For the Year Ended December 31, 2019

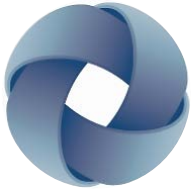
Bensenville Fire Protection District No. 2

Table of Contents

	Page(s)
FINANCIAL SECTION	
Independent Auditors' Report.....	1 - 2
Management's Discussion and Analysis (Required Supplementary Information).....	3 - 11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Governmental Fund Financial Statements	
Balance Sheet.....	14
Reconciliation of Fund Balances of the Governmental Funds to the Governmental Activities in the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Governmental Activities in the Statement of Activities.....	17
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position.....	18
Statement of Changes in Fiduciary Net Position.....	19
Notes to the Financial Statements.....	20 - 49
Required Supplementary Information Other than MD&A	
Other Post-Employment Benefits Disclosures.....	50
IMRF Pension Disclosures.....	51 - 52
Firefighters' Pension Disclosures.....	53 - 55
Major Governmental Funds	
Individual Fund Schedules	
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
General Fund.....	56
Ambulance Fund.....	57
Emergency and Rescue Fund.....	58
Liability Insurance Fund.....	59
Notes to Required Supplementary Information.....	60
Supplemental Schedules	
Non-major Governmental Funds	
Combining Fund Schedules	
Combining Balance Sheet.....	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	62

Bensenville Fire Protection District No. 2
Table of Contents (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
Supplemental Schedules (Continued)	
Non-major Governmental Funds (Continued)	
Individual Fund Schedules	
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Audit Fund.....	63
Social Security Fund.....	64
IMRF Fund.....	65
Foreign Fire Insurance Fund.....	66
STATISTICAL SECTION (UNAUDITED)	
Revenue Capacity Schedules	
Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections.....	67
Debt Capacity Schedules	
Debt Limit Information.....	68



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 as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighters' Pension Fund, which is a fiduciary fund of the District and is included in the District's financial statements. 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 in the Firefighters' Pension Fund, is based solely on the report of the 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bensenville Fire Protection District No. 2, as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary schedules, and certain pension and post-employment benefit 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bensenville Fire Protection District No. 2 basic financial statements. The combining and individual fund financial statements and schedules for non-major funds, other non-required supplemental schedules as listed in the table of contents, and the statistical section 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 statements schedules for non-major funds and other non-required supplemental schedules as listed in the table of contents 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 statements schedules for non-major funds and other non-required supplemental schedules as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

IL NFP Audit & Tax, LLP

Chicago, Illinois
March 23, 2020

Bensenville Fire Protection District No. 2
Management Discussion & Analysis
December 31, 2019

Introduction

The Bensenville Fire Protection District's management and discussion analysis (MD&A) provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. The MD&A should be read as a narrative introduction to the financial statements that follow. The purpose of this report is to assist the reader in focusing on significant accounting issues, provide an overview of the District's financial activity, identify changes in the District's financial position, identify any material deviations from the approved budget and identify individual fund issues or concerns.

The MD&A is an element of the new reporting model accepted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative data between the current and prior years is required to be presented in the MD&A.

Financial Highlights

- The liabilities and deferred inflows of resources of the Bensenville Fire Protection District exceeded its assets and deferred outflows of resources by (\$31,560,232) as of December 31, 2019. The District's net position decreased mainly due to year-to-year changes in the liabilities and deferred inflows of the Firefighters' Pension Fund.
- At December 31, 2019, the District's governmental funds reported combined ending fund balances of \$2,090,140, an increase of \$7,062 from the prior year and inclusive of \$312,126 of prior period adjustments that were made to correct balances at December 31, 2018.
- Property Taxes received for all funds were \$4,268,927 or 2.8% increase from the prior year. Under the Property Tax Extension Limitation Law (PTELL) the District is only able to receive the lesser of 5% or the Consumer Price Index (CPI). For 2019 tax year, the CPI is 1.9%. Property taxes are the District's major revenue stream.
- The District has \$789,386 of debt payments due within the next four years. For the year ended December 31, 2019, total principal and interest payments totaled \$158,002.

Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements and notes to the financials. The District also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The two new government-wide financial statements, Statement of Net Position and Statement of Activities represent an overview of the District as a whole, separating its operations between governmental and business-type activities. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

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

The *Statement of Activities* presents changes in the District's net position during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by taxes and intergovernmental revenues, such as grants, from business type activities that are intended to recover all or significant portion of their costs through user fees and charges. Governmental activities include general government and fire protection. Business-type activities reflect the District's private sector operations, where the fees for services typically cover all or most of the cost of operation including depreciation. Fiduciary activities such as employee pension plans are not included in the government-wide statements since these assets are not available to fund District programs.

The government-wide financial statements are presented on pages 12 and 13 of this report.

Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund and major special revenue funds. Budgetary comparison schedules for other special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 14 through 17 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the District charges customers a fee. There are two types of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the governmental-wide statements. Services are provided to customers external to the District organization such as the golf course. Internal service funds provide services to customers within the District's organization.

The District does not have proprietary funds at this time.

Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019

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

The basic fiduciary fund financial statements are presented on pages 18 through 19 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget to actual comparisons, statistical analysis tables and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 50 through 55 of this report.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major as well as supplemental schedules for the major funds are presented in a subsequent section of this report beginning on page 56.

Government-wide Financial Analysis

This District implemented the new financial reporting model used in this report for this fiscal year. Over time as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss changing financial position of the District as a whole.

Statement of Net Position

A comparison of the statement of net position for the last two fiscal years is shown on the following page. The District's combined net position decreased by \$1,493,444, inclusive of \$312,126 of prior period adjustments.

**Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019**

Statement of Net Position (Continued)

**Statement of Net Position
Governmental Activities**

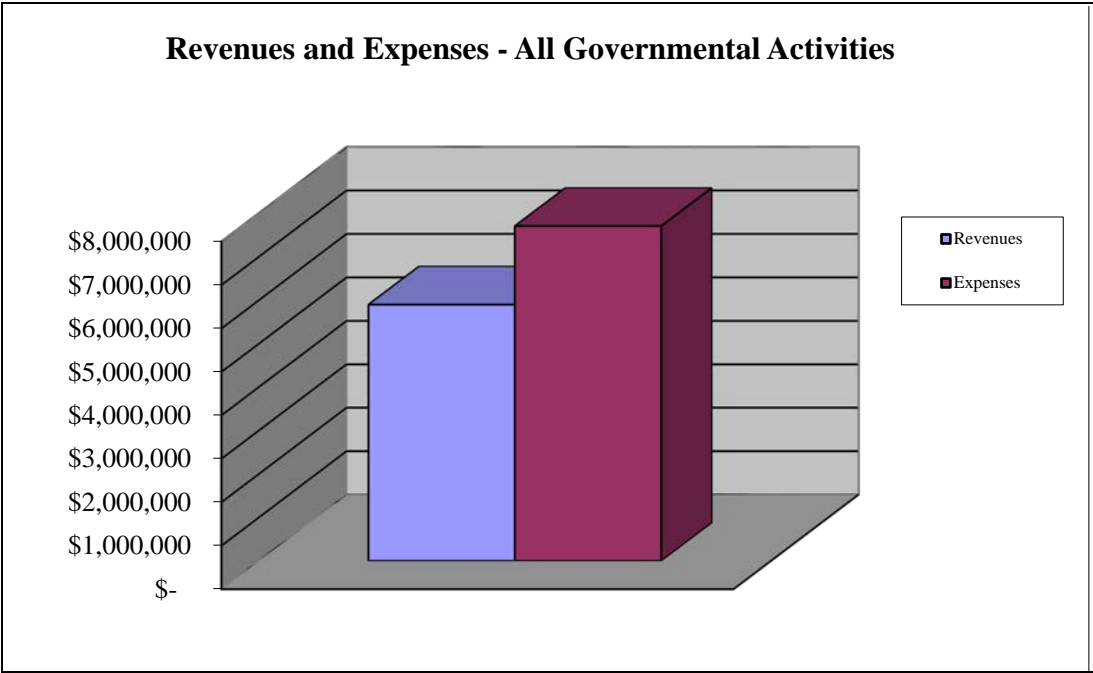
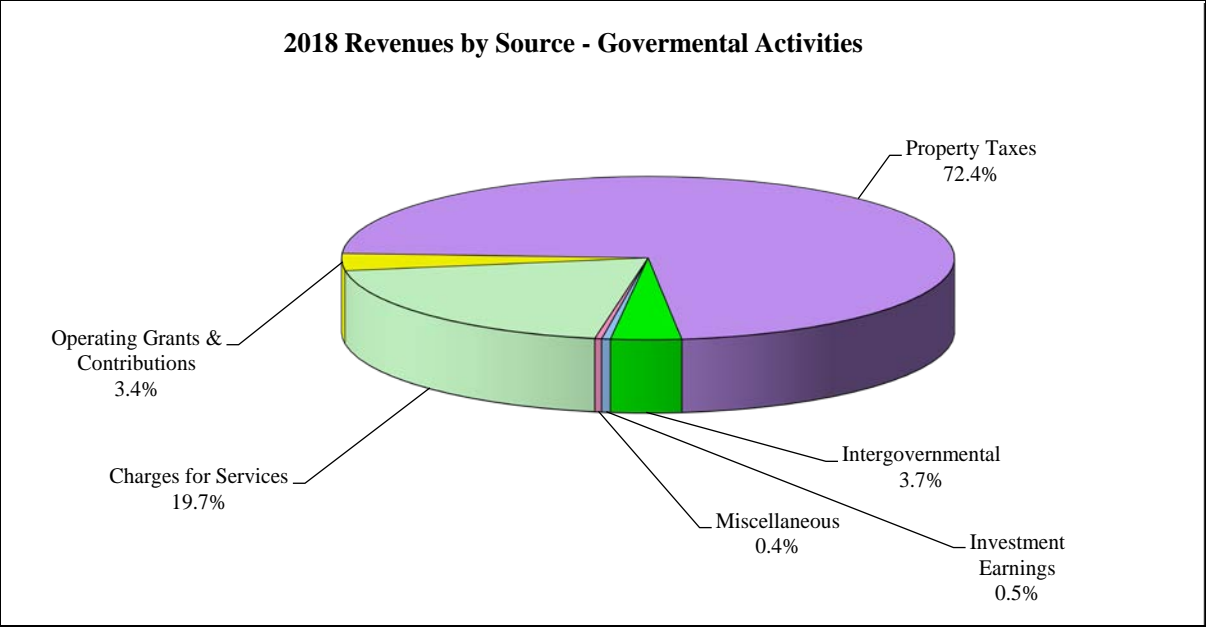
	2019	2018
Current and Other Assets	\$ 6,685,051	\$ 6,874,821
Capital Assets	2,982,454	2,695,923
Total Assets	9,667,505	9,570,744
Deferred Outflows	10,972,442	2,663,917
Total Assets and Deferred Outflows	20,639,947	12,234,661
Liabilities	41,974,089	33,220,209
Total Liabilities	41,974,089	33,220,209
Deferred Inflows	10,226,090	9,081,242
Total Liabilities and Deferred Inflows	52,200,179	42,301,451
Net Position		
Invested in Capital Assets,	2,276,068	1,870,323
Restricted Amounts	2,148,995	2,178,606
Unrestricted Amounts	(35,985,295)	(34,115,719)
Total Net Position	\$ (31,560,232)	\$ (30,066,790)

Statement of Activities A comparison of the statement of activities for the last two fiscal years is shown below.

**Statement of Activities
Governmental Activities**

	2019	2018
Revenues		
Program Revenues		
Charges for Services	\$ 1,161,711	\$ 987,089
Operating Grants and Contributions	200,000	0
General Revenues		
Property Taxes	4,268,927	4,153,065
Intergovernmental	218,541	176,986
Investment Earnings	27,169	18,948
Other Sources	21,400	317,822
Total Revenue	5,897,748	5,653,910
Expenses		
Governmental Activities		
Fire Protection	7,681,756	6,829,537
Interest	21,560	25,109
Total Expense	7,703,316	6,854,646
Increase in Net Position	(1,805,568)	(1,200,736)
Net Position - Beginning of Year	(30,066,790)	(23,917,239)
Prior Period Adjustment/Change in Accounting Principle)	312,126	(4,948,815)
Net Position - Beginning of Year, Restated	\$ (31,560,232)	\$ (30,066,790)

**Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019**



Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019

Governmental Activities

As stated previously, Governmental Activities decreased the District's net position by \$1,805,570. Key elements of the entity-wide performance are as follows:

- During 2019, the District's net position decreased mainly due changes in deferred inflows and the net pension liability of the Firefighters' Pension Fund.
- Total revenues increased 4.3% to \$5,897,746 in 2019 from \$5,653,910 the previous year. The majority of this increase is attributed to an increase in property taxes, charges for services and operating grants.
- Ambulance fees increased 17.7% to \$1,161,711 in 2019 from \$987,089 the previous year due to increases in collections.
- Total fire protection expenses increased 12.5% to \$7,681,756 in 2019. This increase is mostly attributed to expenses related to the Firefighters' Pension Fund.

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending fund balance of \$2,090,140. \$2,185,745 of these funds are non-spendable or restricted.

The total ending fund balance of governmental funds shows an increase of \$7,062 from the prior fiscal year.

The Corporate fund is the primary fund of the District. The Corporate Fund surplus as of December 31, 2019 was restated to (\$95,605) a decrease of (\$735) from the prior year. This decrease is nominal as operations in the Corporate Fund were relatively similar in 2019 compared to 2018. The Corporate Fund's entire fund balance is unassigned.

Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019

Fiduciary Funds

The Pension Fund is the only fiduciary fund of the District. The Pension Trust's net position increased by \$1,182,681 or 11.4% over the previous year to \$11,561,223.

The Pension Fund reports a net pension liability of \$40,166,621 at December 31, 2019 which is recorded in the government-wide financial statements.

Governmental Funds Budgetary Highlights

During the 2019 Budget year, the district did not revise the annual operating budget.

The Corporate fund is reported as the major fund and account for the routine operations of the District.

Actual revenues in the Corporate fund were \$2,765,998 which under-performed budget estimates by \$92,740 or 3.2% due to decrease in charges for services and property taxes. Additionally, actual expenditures were \$2,974,354, which missed budget estimates by \$290,654 or 10.9% mainly due to debt service payments

The Corporate fund net change in revenues over expenditures, inclusive of prior period adjustments, was a negative \$735. The fund balance decreased to (\$95,605) from \$(94,870) the previous year.

Capital Asset Administration

At the end of fiscal year 2019, the District had total capital assets (net of accumulated depreciation) of \$2,982,454, invested in a broad range of capital assets including ambulance and fire equipment, buildings, land and equipment. The District maintains a detailed list of capital assets. Total depreciation expense for the year was \$220,883. Additional information on the District's capital assets can be found in Note 4 to the financial statements

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely affect its financial health in the near future.

**Bensenville Fire Protection District No. 2
Management Discussion & Analysis (Continued)
December 31, 2019**

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact administration at Bensenville Fire Protection District, 2500 S. York Rd., Bensenville, IL 60106.

Bensenville Fire Protection District No. 2
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 1,695,925
Receivables	
Property Taxes	4,533,000
Ambulance Fees	419,376
Prepaid Items	36,750
Capital Assets	
Capital Assets Not Being Depreciated	115,000
Other Capital Assets, Net of Depreciation	2,867,454
Total Capital Assets	<u>2,982,454</u>
Total Assets	<u>9,667,505</u>
Deferred Outflows	
Deferred Items - OPEB	14,541
Deferred Items - IMRF	58,115
Deferred Items - Firefighters' Pension Fund	10,899,786
Total Deferred Outflows	<u>10,972,442</u>
Liabilities	
Accounts Payable	16,423
Accrued Payroll	45,488
Long-term Liabilities	
Due Within One Year	
Capital Lease Obligation	164,981
Due in More than One Year	
Capital Lease Obligation	541,405
Compensated Absences	440,376
Net OPEB Liability	547,578
Net Pension Liability - IMRF	51,217
Net Pension Liability - Firefighters' Pension Fund	40,166,621
Total Liabilities	<u>41,974,089</u>
Deferred Inflows	
Deferred Property Taxes	4,533,000
Deferred Items - OPEB	8,851
Deferred Items - IMRF	17,296
Deferred Items - Firefighters' Pension Fund	5,666,943
Total Deferred Inflows	<u>10,226,090</u>
Net Position	
Net Investment in Capital Assets	2,276,068
Restricted for:	
Fire and Ambulance Services	2,148,995
Unrestricted	(35,985,295)
Total Net Position	<u><u>\$ (31,560,232)</u></u>

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for	Operating Grants	Revenue and
		Services	and Contributions	Changes in
				Net Position
				Governmental
				Activities
Governmental Activities				
Fire Prevention	\$ 7,681,756	\$ 1,161,711	\$ 200,000	\$ (6,320,045)
Interest on Long-Term Debt	21,560	0	0	(21,560)
Total Governmental Activities	\$ 7,703,316	\$ 1,161,711	\$ 200,000	(6,341,605)
General Revenues				
Taxes				
Property Taxes				4,268,927
Intergovernmental				218,541
Rental Income				20,142
Investment Income				27,169
Miscellaneous				1,256
Total General Revenues				4,536,035
Change in Net Position				(1,805,570)
Net Position,				
Beginning of Year				
				(30,066,788)
Prior Period Adjustment				
				312,126
Beginning of Year, Restated				
				(29,754,662)
End of Year				
				\$ (31,560,232)

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Balance Sheet
Governmental Funds
December 31, 2019

	General	Ambulance	Emergency and Rescue	Liability Insurance	Other Governmental Funds	Total
Assets						
Cash and Cash Equivalents	\$ 0	\$ 1,543,187	\$ 47,651	\$ 32,804	\$ 72,283	\$ 1,695,925
Receivables						
Property Taxes	3,035,000	1,154,000	40,000	215,000	89,000	4,533,000
Ambulance Fees	0	419,376	0	0	0	419,376
Prepaid Expenditures	0	0	0	36,750	0	36,750
Due from Other Funds	0	66,933	0	0	0	66,933
Total Assets	3,035,000	3,183,496	87,651	284,554	161,283	6,751,984
Total Deferred Outflows	0	0	0	0	0	0
Total Assets and Deferred Outflows	3,035,000	3,183,496	87,651	284,554	161,283	6,751,984
Liabilities						
Accounts Payable	10,797	2,608	0	0	3,018	16,423
Accrued Payroll	17,875	27,613	0	0	0	45,488
Due to Other Funds	66,933	0	0	0	0	66,933
Total Liabilities	95,605	30,221	0	0	3,018	128,844
Deferred Inflows						
Deferred Property Taxes	3,035,000	1,154,000	40,000	215,000	89,000	4,533,000
Total Deferred Inflows	3,035,000	1,154,000	40,000	215,000	89,000	4,533,000
Fund Balance						
Nonspendable	0	0	0	36,750	0	36,750
Restricted	0	1,999,275	47,651	32,804	69,265	2,148,995
Unassigned	(95,605)	0	0	0	0	(95,605)
Total Fund Balance	(95,605)	1,999,275	47,651	69,554	69,265	2,090,140
Total Liabilities, Deferred Inflows and Fund Balance	\$ 3,035,000	\$ 3,183,496	\$ 87,651	\$ 284,554	\$ 161,283	\$ 6,751,984

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Reconciliation of Fund Balances of the Governmental Funds to the Governmental Activities
in the Statement of Net Position
December 31, 2019

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

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

Fund Balance - Balance Sheet of Governmental Funds	2,090,140
--	-----------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	2,982,454
---	-----------

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:

Deferred items related to changes in pension assumptions and differences between expected and actual pension plan experience:

Deferred Outflows - OPEB	14,541
--------------------------	--------

Deferred Outflows - IMRF	58,115
--------------------------	--------

Deferred Outflows - Firefighters' Pension Fund	10,899,786
--	------------

Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Capital Lease Obligation	(706,386)
--------------------------	-----------

Compensated Absences	(440,376)
----------------------	-----------

Net OPEB Liability	(547,578)
--------------------	-----------

Net Pension Liability - IMRF	(51,217)
------------------------------	----------

Net Pension Liability - Firefighters' Pension Fun	(40,166,621)
---	--------------

Deferred items related to difference between projected and actual earnings on pension plan investments and difference between expected and actual pension plan experience:

Deferred Inflows - OPEB	(8,851)
-------------------------	---------

Deferred Inflows - IMRF	(17,296)
-------------------------	----------

Deferred Inflows - Firefighters' Pension Fund	(5,666,943)
---	-------------

Net Position of Governmental Activities	\$ (31,560,232)
--	------------------------

Bensenville Fire Protection District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Ambulance	Emergency and Rescue	Liability Insurance	Other Governmental Funds	Total
Revenues						
Property Taxes	\$ 2,373,562	\$ 1,564,766	\$ 41,323	\$ 213,051	\$ 76,225	\$ 4,268,927
Charges for Services	108,917	1,052,794	0	0	0	1,161,711
Intergovernmental	134,973	0	0	0	83,568	218,541
Grants and Donations	100,000	100,000	0	0	0	200,000
Rental Income	20,142	0	0	0	0	20,142
Investment Income	27,148	0	0	0	21	27,169
Miscellaneous	1,256	0	0	0	0	1,256
Total Revenues	2,765,998	2,717,560	41,323	213,051	159,814	5,897,746
Expenditures						
Current						
Administration	2,441,029	2,496,826	0	15,000	5	4,952,860
Fire Service Apparatus	127,836	0	0	0	0	127,836
Telecommunications	179,586	180,593	0	0	0	360,179
Station	50,099	23,390	0	0	17,373	90,862
Education and Training	10,872	3,004	0	0	7,332	21,208
Fire Prevention	6,930	0	0	0	0	6,930
Apparatus and EMS	0	72,832	0	0	0	72,832
Insurance	0	0	0	127,837	0	127,837
Equipment and Supplies	0	0	160,322	0	34,963	195,285
Audit	0	0	0	0	7,500	7,500
Retirement	0	0	0	0	98,708	98,708
Debt Service						
Principal	136,442	0	0	0	0	136,442
Interest	21,560	0	0	0	0	21,560
Total Expenditures	2,974,354	2,776,645	160,322	142,837	165,881	6,220,039
Excess (Deficiency) of Revenues over Expenditures	(208,356)	(59,085)	(118,999)	70,214	(6,067)	(322,293)
Other Financing Sources						
Issuance of Capital Lease	17,229	0	0	0	0	17,229
Total Other Financing Sources	17,229	0	0	0	0	17,229
Net Change in Fund Balance	(191,127)	(59,085)	(118,999)	70,214	(6,067)	(305,064)
Fund Balance (Deficit),						
Beginning of Year	(94,870)	1,895,882	166,650	(660)	116,076	2,083,078
Perior Period Adjustment	190,392	162,478	0	0	(40,744)	312,126
Beginning of Year, Restated	95,522	2,058,360	166,650	(660)	75,332	2,395,204
End of Year	\$ (95,605)	\$ 1,999,275	\$ 47,651	\$ 69,554	\$ 69,265	\$ 2,090,140

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Governmental Activities in the Statement of Activities
For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (305,064)

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

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

Capital outlays	507,415
Depreciation expense	(220,883)

Governmental funds report debt payments as expenditures and debt issuances as revenue. However, in the statement of activities, debt payments and debt issuances are not reported as expenditures and revenue, respectively.

Issuance of Capital Lease Obligation	(17,229)
Principal Payments of Capital Lease Obligation	136,442

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in the following deferred items related to pension investment experience, changes in pension assumptions, and difference between expected and actual pension plan experience:

Deferred Outflows - OPEB	14,541
Deferred Outflows - IMRF	20,342
Deferred Outflows - Firefighters' Pension Fund	8,273,642

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in Compensated Absences	62,778
Change in OPEB Liability	(3,975)
Change in Net Pension Liability - IMRF	(23,285)
Change in Net Pension Liability - Firefighters' Pension Fund	(9,236,568)
pension	
pension plan experience:	
Deferred Inflows - OPEB	(8,851)
Deferred Inflows - IMRF	(523)
Deferred Inflows - Firefighters' Pension Fund	(1,004,352)

Change in Net Position of Governmental Activities	\$ (1,805,570)
--	-----------------------

Bensenville Fire Protection District No. 2
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019

	Firefighters' Pension Fund
Assets	
Cash and Cash Equivalents	\$ 512,560
Investments	
Certificates of Deposit	497,493
U.S. Treasury Obligations	448,405
U.S. Agency Obligations	557,293
Corporate Bonds	2,051,071
Equity Mutual Funds	7,496,724
Receivables	
Accrued Interest	15,901
Other Receivables	8,188
Prepays	4,465
Total Assets	11,592,100
Liabilities	
Accounts Payable	30,877
Total Liabilities	30,877
Net Position Restricted for Pensions	\$ 11,561,223

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2019

	Firefighters' Pension Fund
Additions	
Contributions	
Employer	\$ 810,464
Employee	217,563
Total Contributions	1,028,027
Investment Income	
Net Appreciation in Investment Fair Value	1,605,500
Interest and Dividends	296,265
	1,901,765
Less: Investment Expenses	(16,439)
Net Investment Income	1,885,326
Total Additions	2,913,353
Deductions	
Benefits and Refunds	1,664,605
Administrative Expenses	66,067
Total Deductions	1,730,672
Net Increase in Fiduciary Net Position	1,182,681
Net Position Restricted for Pensions, Beginning of Year	10,378,542
End of Year	\$ 11,561,223

See Accompanying Notes to the Financial Statements

Bensenville Fire Protection District No. 2
Notes to the Financial Statements
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies

The District is incorporated in Bensenville, Illinois. The District operates under a Board-Manager form of government encompassing areas in Cook County and DuPage County. The mission of the District is to protect the lives and property within the community in a fiscally sound and responsive manner through fire prevention, public education, fire suppression, emergency medical services, and public safety.

The financial statements of Bensenville Fire Protection District No. 2 (the “District”), have been prepared in conformity with Generally Accepted Accounting Principles as applied to local governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below:

Financial Reporting Entity

The accompanying financial statements present the District’s primary government and any component units over which the District exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District (as distinct from legal relationships). Management has considered all potential component units and has determined that there are no entities outside of the primary government that should be blended into or discretely presented with the District’s financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District as a whole (except for fiduciary activities) and distinguish between the governmental and business-type activities of the District. Governmental activities, which are normally supported by taxes and governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government’s water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds include non-major Special Revenue funds and non-major Capital Projects funds. The combined amounts for these funds are reflected in a single column titled "Other Governmental Funds" in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules in the supplemental schedules of the financial statements.

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 and expenses of the individual governmental fund or enterprise fund 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 and expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements when applicable. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are those which governmental functions of the District finance. The acquisition, use, and balances of the District's expendable resources and the related liabilities are accounted for through governmental funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government does *not* consider revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims, and judgments are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales taxes, franchise taxes, licenses, charges for service, amounts due from other governments, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if applicable. Charges for sales and services and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

Basis of Presentation

The accounts of the District are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The various funds are summarized by type within the financial statements.

The District reports the following major governmental funds:

The *General Fund* is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Expenditures from this fund provide basic District services, such as such as finance and data processing, personnel, and general administration of the District. Revenue sources include taxes, which include property taxes, replacement taxes, interest income and other income.

The *Ambulance Fund*, a special revenue fund, which accounts for ambulance operations. Financing is provided by a specific annual property tax levy to the extent user charges are not sufficient to provide such financing.

The *Emergency and Rescue Fund*, which accounts for the District's financial resources that are restricted, committed, or assigned for expenditure of fire safety supplies and equipment.

The *Liability Insurance Fund*, which accounts for the District's financial resources that are restricted, committed, or assigned for expenditure of the District's insurance coverages.

The District reports the following non-major governmental funds:

Non-major Special Revenue Funds: These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purpose other than debt service or capital projects. The District reports the *Audit Fund*, *Social Security*, *IMRF*, and *Foreign Fire Insurance Fund* as non-major special revenue funds.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fiduciary fund level financial statements are custodial in nature and are merely clearing accounts for assets held by the District as an agent for individuals, private organization, or other governments. Fiduciary funds are excluded from government-wide financial statements. The District reports the following fiduciary fund:

The *Firefighters' Pension Fund* which accounts for assets held by the District in a trustee capacity.

Proprietary fund level financial statements are used to account for activities, which are similar to those found in the private-sector. The measurement focus is upon determination of net income, financial position, and cash flows. The District reports no proprietary funds.

When applicable, on the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity. When applicable, private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Pooled Cash

Cash resources of the individual governmental fund types are combined to form a pool of cash and, when applicable, investments. At December 31, 2019, the District's cash was deposited in demand accounts and money market savings accounts.

Interfund Activity

During the course of normal operations, the District has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of Governmental Funds and, when applicable, Proprietary Funds. Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables. Short-term amounts owed between funds are classified as "Due to/from other funds".

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Receivables

Receivables consist of all revenues earned at year-end that are not yet received as of December 31, 2019. Major receivable balances for governmental activities include property taxes and ambulance fees. The District carries its receivables at cost less an allowance for doubtful accounts. On a periodic basis, the District evaluates its receivables and establishes the amount of its allowance for doubtful accounts based on a history of past write-offs and collections. The allowance for doubtful accounts amounts to \$0 for property taxes receivable and \$628,421 for ambulance fees receivable.

Prepaid Items and Prepaid Expenditures

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepaid items/expenditures using the consumption method of recognition.

Inventory

Inventory is valued at cost which approximates the lower of cost or net realizable value using the first-in/first-out (FIFO) method. The District reports no inventory as of December 31, 2019.

Deferred Revenue/Unearned Revenue

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

Compensated Absences

Accumulated vacation, compensatory time and sick leave, that is expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated vacation, compensatory time and sick leave of proprietary funds, when applicable, is recorded as an expense and liability of those funds as the benefits accrue to employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Full-time District employees are entitled to paid vacation time in varying amounts based on years of service. Unused vacation time is carried over from year to year. District employees are entitled to paid sick time in varying amounts based on years of service. Compensatory time is paid at 1.5 times the hourly rate. Sick hours accumulated at retirement or resignation are paid to a post-employment health plan at 65% of the hourly rate. The District’s compensated absences liability at December 31, 2019 comprises of \$113,824 of accumulated vacation, \$86,473 of compensatory time and \$240,079 of sick time.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and when applicable, infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$500 or more. Capital assets are recorded at historical cost if purchased or constructed, or at estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is computed using the straight-line method over the following estimated lives:

Buildings	40 - 50 Years
Improvements	10 - 20 Years
Equipment	5 - 10 Years
Vehicles	5 - 10 Years

GASB Statement 34 requires the reporting and depreciation of the new infrastructure expenditures effective with the beginning of the implementation year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources, or expenses/expenditures, until then. The District has deferred changes in proportion dealing with pensions and contributions made after the measurement date. The District currently does not have deferred charges on refunding debt. These represent a consumption of net position that applies to future periods and is not recognized as an outflow of resources until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources, or revenues, until that time. A deferred inflow of resources dealing with pension is reported for the differences between expected and actual experience, the net difference between projected and actual earnings on pension investments, and changes of assumptions.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations, when applicable, are accounted for in those funds.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Non-spendable fund balance - The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - Amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the District Board of Trustees - the government's highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the District Board of Trustees removes the specified use by ordinance. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects assets constrained by the expressed written intent of the District Board of Trustees for capital equipment and/or capital projects.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed. The District does not have a stabilization policy established.

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.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Net Position Classifications

In the government-wide financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets - These amounts consist of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent bond or other debt proceeds.

Restricted net position - These amounts consist of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Unrestricted net position - These amounts consist of all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Budgets

The Board of Trustees follows these procedures in establishing the budget:

1. The Fire Chief and budget committee prepare a proposed operating budget which is submitted to the Board of Trustees for their approval. The budget document is made available for public inspection for at least 30 days prior to Board action.
2. The Board of Trustees is required to hold at least one public hearing prior to passage of the annual Budget and Appropriation Ordinance. The budget is an estimate of actual expenditures and the appropriation represents the legal spending limit.
3. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal year (March 31).
4. The Board of Trustees has the power to: Amend the Budget and Appropriation Ordinance in the same manner as its enactment, transfer between line items of any fund an amount not exceeding in the aggregate the total amount appropriated for that fund, and transfer any appropriation item it anticipates being unexpended to any other appropriation item.
5. Expenditures legally may not exceed the total appropriations at the fund level. All unspent budgetary amounts lapse at year-end. The budget information in the financial statements includes adjustments made during the year.

The budget is prepared for all funds on the same basis as the basic financial statements and is consistent with GAAP. The budget is derived from the annual Budget and Appropriation Ordinance of the District. All budgetary funds are controlled by an integrated budgetary accounting system in accordance, with various legal requirements, which govern the District.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Property Taxes

Property taxes become an enforceable lien on property as of January 1. Taxes are levied each year and are payable in two installments, due in March and August of the following year. Cook County and DuPage County bill and collect all property taxes and remits them to the District. The District recognizes property taxes in the year in which they attach as an enforceable lien and are available.

2. Deposits

Deposits

At December 31, 2019, the carrying amount of the District's demand deposits in financial institutions was \$1,695,925 and the bank balance is \$1,737,111.

At December 31, 2019, the carrying amount of the Firefighters' Pension Fund's cash deposits is \$520,748 and the bank balance is \$520,748.

Custodial Credit Risk - Deposits

In case of cash deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2019, the District had \$805,710 of bank deposits which were not insured or covered by collateral. The District has not experienced any losses in such accounts and believes it is not exposed to any significant custodial credit risk on cash and cash equivalents.

3. Investments

Policies for Investments

It is the policy of the District to invest public funds in a manner to conform to all state and local statutes governing the investment of public funds; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives, in priority order, of safety, liquidity, return on investment and public trust.

The District's general credit risk policy is to apply the prudent person rule: Investments shall be made with the exercise of judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

3. Investments (Continued)

Fair Value Measurements

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

The District does not maintain investments.

The Firefighters' Pension Fund investments subject to fair value measurements are as follows:

Investments Type	December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Certificates of Deposit	\$ 497,493	\$ 0	\$ 497,493	\$ 0
U.S. Treasury Obligations	448,405	448,405	0	0
U.S. Agency Obligations	557,293	0	557,293	0
Corporate Bonds	2,051,071	0	2,051,071	0
Equity Securities				
Mutual Funds	7,496,724	7,496,724	0	0
Total Investments Measured at Fair Value	<u>\$ 11,050,986</u>	<u>\$ 7,945,129</u>	<u>\$ 3,105,857</u>	<u>\$ 0</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Mutual funds are not subject to interest rate risk.

The following table categorizes interest rate risk for the Firefighters' Pension Fund:

Investment Category	Fair Value	< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
Certificates of Deposit	\$ 497,493	\$ 299,081	\$ 0	\$ 198,412	\$ 0
U.S. Treasury Obligations	448,405	448,405	0	0	0
U.S. Agency Obligations	557,293	0	1,007	10,349	545,937
Corporate Bonds	2,051,071	171,977	1,504,343	374,751	0
	<u>\$ 3,554,262</u>	<u>\$ 919,463</u>	<u>\$ 1,505,350</u>	<u>\$ 583,512</u>	<u>\$ 545,937</u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

3. Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. treasuries and mutual funds are not subject to credit risk.

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 were all rated AAA and Corporate Bonds are rated BBB or better by Standard & Poor's or by Moody's Investors Services and CDs are not rated. Besides investing primarily in securities issued by agencies of the United States Government, the Pension Fund has no other formal policy for reducing credit risk.

Similar to the District, 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."

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds, equity mutual funds and insurance contracts are not subject to custodial credit risk. In accordance with the District's investment policy, the District limits its exposure to custodial credit risk by utilizing an independent third party institution to act as a custodian for its securities and collateral.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund does not have a formal written policy with regards to custodial credit risk for investments. At December 31, 2019, the Firefighters' Pension Fund has over 5% of net position invested in various agency securities. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

4. Capital Assets

Capital asset activity for the year ended December 31, 2019, consisted of the following:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019
<u>Governmental Activities</u>				
Assets Not Subject to Depreciation				
Land	\$ 115,000	\$ 0	\$ 0	\$ 115,000
Assets Subject to Depreciation				
Buildings	2,259,000	0	0	2,259,000
Vehicles	2,519,349	124,955	0	2,644,304
Equipment	457,529	352,240	0	809,769
Improvements	179,755	30,220	0	209,975
Subtotal	<u>5,530,633</u>	<u>507,415</u>	<u>0</u>	<u>6,038,048</u>
Less - Accumulated Depreciation				
Buildings	(646,000)	(57,924)	0	(703,924)
Vehicles	(1,774,404)	(106,887)	0	(1,881,291)
Equipment	(353,070)	(44,088)	0	(397,158)
Improvements	(61,237)	(11,984)	0	(73,221)
Subtotal	<u>(2,834,711)</u>	<u>(220,883)</u>	<u>0</u>	<u>(3,055,594)</u>
Net Capital Assets	<u>\$ 2,695,922</u>	<u>\$ 286,532</u>	<u>\$ 0</u>	<u>\$ 2,982,454</u>

Depreciation expense was charged to the functions/programs of the primary government as follows:

Governmental Activities – Fire Prevention \$ 220,883

5. Long-term Liabilities

The District enters into debt transactions to finance additions of machinery and equipment and major improvements to fire facilities. The following debt commitments exist as of December 31, 2019:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Amount Due Within One Year
Capital Lease Obligation					
Toyne Pumper \$348,000	\$ 47,714	\$ 0	\$ (47,714)	\$ 0	\$ 0
Tower Ladder \$951,331	777,885	17,229	(88,728)	706,386	164,981
	<u>\$ 825,599</u>	<u>\$ 17,229</u>	<u>\$ (136,442)</u>	<u>\$ 706,386</u>	<u>\$ 164,981</u>

On September 27, 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. During 2019, the District refinanced the capital lease through First Government Leasing Co. at a 2.35% interest rate. Payments under the agreement are due in annual installments of principal and interest of \$197,347 through 2023.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

5. Long-term Liabilities (Continued)

The District's future minimum debt payments are as follows:

	Principal	Interest	Total
December 31, 2020	\$ 164,981	\$ 32,365	\$ 197,346
December 31, 2021	172,404	24,943	197,347
December 31, 2022	180,347	17,000	197,347
December 31, 2023	188,654	8,692	197,346
	<u>\$ 706,386</u>	<u>\$ 83,000</u>	<u>\$ 789,386</u>

Other long-term liabilities activity is as follows:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Amount Due Within One Year
Other Long-term Liabilities					
Compensated Absences	\$ 503,154	\$ 0	\$ (62,778)	\$ 440,376	\$ 0
Net Pension Liability/(Asset)					
IMRF	27,932	23,285	0	51,217	0
Firefighters' Pension Fund	30,930,053	10,901,173	(1,664,605)	40,166,621	0
Total OPEB Liability	<u>543,603</u>	<u>59,091</u>	<u>(55,116)</u>	<u>547,578</u>	<u>0</u>
	<u>\$ 32,004,742</u>	<u>\$ 10,983,549</u>	<u>\$ (1,782,499)</u>	<u>\$ 41,205,792</u>	<u>\$ 0</u>

6. Compliance and Accountability

At December 31, 2019, the following District funds had deficit fund balances:

Fund	Deficit
General	\$ (95,605)

The following funds of the District had excesses of actual expenditures over legally enacted budgeted amounts for the year ended December 31, 2019:

Fund	Budget	Actual	Variance
General	\$ 2,683,700	\$ 2,974,354	\$ (290,654)
Ambulance	2,458,840	2,776,645	(317,805)
IMRF	6,000	9,484	(3,484)

7. Interfund Transactions

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

7. Interfund Transactions (Continued)

At December 31, 2019, no interfund receivables and payables exist.

During the year ended December 31, 2019, no interfund transfers occurred.

8. 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. During the year ended December 31, 2019, Bensenville Fire Protection District No. 1 paid \$134,973 to Bensenville Fire Protection District No. 2 under said agreement.

9. Risk Management

The District is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; natural disasters; and employee health.

The District mitigates these risks through appropriate insurance coverages with various insurance agencies.

There have been no significant reductions in coverage in any program from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in the past three years.

10. Commitments and Contingencies

At December 31, 2019, the District had no material payable commitments and no contingencies with the exception of the capital lease obligation discussed in Note 5.

11. Evaluation of Subsequent Events

The District has evaluated subsequent events through March 23, 2020, the date which the financial statements were available to be issued.

12. Prior Period Adjustments

A cumulative \$312,126 of prior period adjustments were made to the government-wide financial statements and the fund financial statements to correct balance in the following accounts as of December 31, 2018: \$190,392 in the General Fund to correct the balance of cash and accounts payable, \$162,478 in the Ambulance Fund to correct the balance of accounts payable, \$(40,744) in the Foreign Fire Insurance Fund to correct the balance of cash.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

13. Governmental Accounting Standards Board (GASB) Statements

Recently Implemented GASB Statements

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued November 2016 and is effective for the District with the fiscal year ending December 31, 2019.

GASB Statement No. 84, *Fiduciary Activities*, was issued January 2017 and is effective for the District with the fiscal year ending December 31, 2019.

GASB Statement No. 88, *Certain Disclosure Related to Debt including Direct Borrowings and Direct Placements*, was issued April 2018 and is effective for the District with the fiscal year ending December 31, 2019.

GASB Statement No. 90, *Majority Equity Interest* – an Amendment of GASB Statements No. 14 and No. 61, was issued December 2018 and is effective for the District with the fiscal year ending December 31, 2019.

Upcoming GASB Statements

GASB Statement No. 87, *Leases*, was issued June 2017 and will be effective for the District with the fiscal year ending December 31, 2020.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued June 2018 and will be effective for the District with the fiscal year ending December 31, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019 and will be effective for the District with the fiscal year ending December 31, 2021.

GASB Statement No. 92, *Omnibus 2020*, was issued January 2020 and will be effective for the District with the fiscal year ending December 31, 2022.

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

14. Other Post-Employment Benefits

The net other postemployment health care benefits (“OPEB”) liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

14. Other Post-Employment Benefits (Continued)

The net OPEB liability represents the District’s proportionate share of its OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical future (long-term) variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

Plan Description. The District provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The plan’s latest actuarial valuation is December 31, 2019.

Benefits Provided. The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the District’s retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan but can purchase a Medicare supplement plan from the District’s insurance provider. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the District is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

OPEB Disclosures.

Actuarial Valuation Date	December 31, 2019
Measurement Date of the OPEB Liability	December 31, 2019
Fiscal Year End	December 31, 2019
Membership	
Number of	
- Retirees and Beneficiaries	3
- Inactive, Non-Retired Members	0
- Active Members	25
- Total	28

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

14. Other Post-Employment Benefits (Continued)

OPEB Disclosures (Continued).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
1. Difference between expected and actual experience	\$ 0	\$ 0
2. Assumption Changes	14,541	8,851
3. Net Difference between projected and actual earnings on OPEB plan investments	0	0
4. Total	\$ 14,541	\$ 8,851

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

Plan Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ 550
2021	550
2022	550
2023	550
2024	550
Thereafter	2,940
	\$ 5,690

The Discount Rate is 3.26%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2019. The following is a sensitivity analysis of total OPEB liability to changes in the discount rate:

Sensitivity of Net OPEB Liability/(Asset) to the
Single Discount Rate Assumption

	1% Decrease 2.26%	Current Single Discount Rate Assumption 3.26%	1% Increase 4.26%
Total OPEB Liability	\$ 509,651	\$ 547,578	\$ 590,437
Plan Net Position	0	0	0
Net OPEB Liability/(Asset)	\$ 509,651	\$ 547,578	\$ 590,437

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

14. Other Post-Employment Benefits (Continued)

OPEB Disclosures (Continued).

The North American health care rate is 11.10% to 8.90%. The following is a sensitivity analysis of total OPEB liability to changes in the healthcare cost trend rate.

Sensitivity of Net OPEB Liability/(Asset) to the Health Care Rate Assumption			
	1% Decrease (10.10% to 7.90%)	Current Health Care Rate Assumption (11.10% to 8.90%)	1% Increase (12.10% to 9.90%)
Total OPEB Liability	\$ 604,966	\$ 547,578	\$ 499,888
Plan Net Position	0	0	0
Net OPEB Liability/(Asset)	\$ 604,966	\$ 547,578	\$ 499,888

Summary of Actuarial Methods and Assumptions
Used in the Calculation of the Total OPEB Liability

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	N/A
Price Inflation	3.00%
Discount Rate	3.26%
Investment Rate of Return	N/A
Health Care Cost Rate	11.10% Gross Trend Rate, 8.90% Net Cost Trend
Mortality	RP - 2014 Combined Annuitant Mortality Tables
<u>Other Information:</u>	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, 2019

14. Other Post-Employment Benefits (Continued)

OPEB Disclosures (Continued).

Schedule of Changes in Net OPEB Liability and Related Ratios

Current Period

Calendar Year Ended December 31, 2019

A. Total OPEB liability	
1. Service cost	\$ 24,570
2. Interest on the total OPEB liability	18,784
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the total OPEB liability	0
5. Changes of assumptions	14,964
6. Benefit payments, including refunds of employee contributions	(54,343)
7. Net change in total OPEB liability	3,975
8. Total OPEB liability— beginning	543,603
9. Total OPEB liability – ending	\$ 547,578
B. Plan net position	
1. Plan fiduciary net position – beginning	0
2. Plan fiduciary net position – ending	\$ 0
C. Net OPEB liability/(asset)	\$ 547,578
D. Plan net position as a percentage of the total OPEB liability	0.00%

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

15. Retirement Fund Commitments – Illinois Municipal Retirement Fund

Plan Description. The District'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 District plan is affiliated with the 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 publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org. The plan's latest actuarial valuation is December 31, 2018.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Funding Policy. As set by statute, the District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate from calendar year 2018 was 4.50 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for the calendar year 2018 was \$9,207.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

15. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

IMRF Pension Disclosures.

Actuarial Valuation Date	December 31, 2018
Measurement Date of the Net Pension Liability	December 31, 2018
Fiscal Year End	December 31, 2019
Membership	
Number of	
- Retirees and Beneficiaries	0
- Inactive, Non-Retired Members	0
- Active Members	1
- Total	<u>1</u>
Covered Valuation Payroll	<u>\$ 107,121</u>
Net Pension Liability	
Total Pension Liability/(Asset)	\$ 187,647
Plan Fiduciary Net Position	<u>136,430</u>
Net Pension Liability/(Asset)	<u>\$ 51,217</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.71%
Net Pension Liability as a Percentage of Covered Valuation Payroll	47.81%
Development of the Single Discount Rate as of December 31, 2018	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	3.71%
Last year December 31 in the 2019 to 2118 projection period for which projected benefit payments are fully funded	2118
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate Calculated using December 31, 2017 Measurement Date	7.50%
Total Pension Expense/(Income)	<u>\$ 12,945</u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

15. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

IMRF Pension Disclosures (Continued).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
1. Difference between expected and actual experience	\$ 24,839	\$ 7,335
2. Assumption Changes	11,780	5,755
3. Net Difference between projected and actual earnings on pension plan investments	12,012	4,206
4. Subtotal	48,631	17,296
5. Pension contributions made subsequent to the measurement date	9,484	0
6. Total	\$ 58,115	\$ 17,296

Deferred outflows and deferred inflows of resources will be recognized in future pension expense as follows:

Plan Year Ending December 31	Net Deferred Outflows of Resources
2019	\$ 4,613
2020	3,615
2021	3,422
2022	4,824
2023	2,167
Thereafter	12,694
	\$ 31,335

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

15. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

IMRF Pension Disclosures (Continued).

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.2% - 8.5%
Cash Equivalents	1%	2.50%
	100%	

The single discount rate is calculated in accordance with GASB Statement No. 68. 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 7.25%; the municipal bond rate is 3.71%; and the resulting single discount rate is 7.25%.

Sensitivity of Net Pension Liability/(Asset) to the
Single Discount Rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 241,968	\$ 187,647	\$ 146,532
Plan Fiduciary Net Position	136,430	136,430	136,430
Net Pension Liability/(Asset)	\$ 105,538	\$ 51,217	\$ 10,102

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

15. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

IMRF Pension Disclosures (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	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 -2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). the IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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, 2019

15. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

IMRF Pension Disclosures (Continued).

Schedule of Changes in Net Pension Liability and Related Ratios	
Current Period	
Calendar Year Ended December 31, 2018	
A. Total pension liability	
1. Service cost	\$ 10,613
2. Interest on the total pension liability	11,952
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the total pension liability	(307)
5. Changes of assumptions	11,338
6. Benefit payments, including refunds of employee contributions	0
7. Net change in total pension liability	33,596
8. Total pension liability – beginning	154,051
9. Total pension liability – ending	\$ 187,647
B. Plan fiduciary net position	
1. Contributions – employer	\$ 9,202
2. Contributions – employee	4,820
3. Net investment income	(3,315)
4. Benefit payments, including refunds of employee contributions	0
5. Other (net transfer)	(396)
6. Net change in plan fiduciary net position	10,311
7. Plan fiduciary net position – beginning	126,119
8. Plan fiduciary net position – ending	\$ 136,430
C. Net pension liability/(asset)	\$ 51,217
D. Plan fiduciary net position as a percentage of the total pension liability	72.71%
E. Covered Valuation Payroll	\$ 107,121
F. Net pension liability as a percentage of covered valuation payroll	47.81%

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

16. Retirement Fund Commitments – Firefighters’ Pension Fund

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. The Bensenville Firefighters’ Pension Plan Fund issues a separate report that includes financial statements, note disclosures, and required supplementary information. The report may be obtained by contacting the Bensenville Fire Protection District No. 2. 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 Illinois legislature. Administrative costs are financed through investments earnings. The plan’s latest actuarial valuation is December 31, 2019.

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

Funding Policy. Covered employees are required to contribute 9.455% of their base salary to the Firefighters’ Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the District’s contributions must accumulate to the point where the past service cost for the Firefighter’s Pension Plan is 90% funded, by the year 2040. The District has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the Plan calendar year December 31, 2019, the District’s contribution was 35.98% of covered payroll.

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

16. Retirement Fund Commitments – Firefighters’ Pension Fund (Continued)

Firefighters’ Pension Fund Disclosures.

Actuarial Valuation Date	December 31, 2019
Measurement Date of the Net Pension Liability	December 31, 2019
Fiscal Year End	December 31, 2019
Membership	
Number of	
- Retirees and Beneficiaries	23
- Inactive, Non-Retired Members	1
- Active Members	22
- Total	<u>46</u>
Covered Valuation Payroll	<u>\$ 2,252,267</u>
Net Pension Liability	
Total Pension Liability/(Asset)	\$ 51,727,844
Plan Fiduciary Net Position	<u>11,561,223</u>
Net Pension Liability/(Asset)	<u>\$ 40,166,621</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	22.35%
Net Pension Liability as a Percentage of Covered Valuation Payroll	1783.39%
Development of the Single Discount Rate as of December 31, 2019	
Long-Term Expected Rate of Investment Return	6.75%
Long-Term Municipal Bond Rate	2.74%
Single Discount Rate Used for Total Pension Liability	3.69%
Total Pension Expense/(Income)	<u>\$ 2,777,741</u>

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

16. Retirement Fund Commitments – Firefighters’ Pension Fund (Continued)

Firefighters’ Pension Fund Disclosures (Continued).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
1. Difference between expected and actual experience	\$ 568,185	\$ 1,219,875
2. Assumption Changes	9,519,737	3,191,799
3. Net Difference between projected and actual earnings on pension plan investments	811,864	1,255,269
4. Total	\$ 10,899,786	\$ 5,666,943

Deferred outflows and deferred inflows of resources will be recognized in future pension expense as follows:

Plan Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ 374,415
2021	369,617
2022	561,301
2023	513,020
2024	959,056
Thereafter	2,455,434
	\$ 5,232,843

Bensenville Fire Protection District No. 2
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2019

16. Retirement Fund Commitments – Firefighters’ Pension Fund (Continued)

Firefighters’ Pension Fund Disclosures (Continued).

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Cash/Short-term	5%	(1.37%)
Fixed Income	30%	1.02% to 6.58%
Equities	65%	5.91% to 12.01%
	100%	

The Discount Rate is 3.69% as of December 31, 2019. The following is a sensitivity analysis of total net pension liability to changes in the discount rate:

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption			
	1% Decrease 2.69%	Current Single Discount Rate Assumption 3.69%	1% Increase 4.69%
Net Pension Liability/(Asset)	\$ 50,044,267	\$ 40,166,621	\$ 32,504,585

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	5-Year Smoothed Market Value
Price Inflation	2.50%
Salary Increases	3.50%
Investment Rate of Return	7.00%
Mortality	Mortality rates were based on RP-2014 mortality tables adjusted for plan status, collar, and Illinois public pension data.

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, 2019

16. Retirement Fund Commitments – Firefighters’ Pension Fund (Continued)

Firefighters’ Pension Fund Disclosures (Continued).

Schedule of Changes in Net Pension Liability and Related Ratios	
Current Period	
Calendar Year Ended December 31, 2019	
A. Total pension liability	
1. Service cost	\$ 904,475
2. Interest on the total pension liability	1,999,529
3. Changes of benefit terms	208,799
4. Difference between expected and actual experience of the total pension liability	(705,020)
5. Changes of assumptions	9,676,071
6. Benefit payments, including refunds of employee contributions	<u>(1,664,605)</u>
7. Net change in total pension liability	10,419,249
8. Total pension liability– beginning	<u>41,308,595</u>
9. Total pension liability – ending	<u><u>\$ 51,727,844</u></u>
B. Plan fiduciary net position	
1. Contributions – employer	\$ 810,464
2. Contributions – employee	217,563
3. Net investment income	1,885,326
4. Benefit payments, including refunds of employee contributions	(1,664,605)
5. Other (net transfer)	<u>(66,067)</u>
6. Net change in plan fiduciary net position	1,182,681
7. Plan fiduciary net position – beginning	<u>10,378,542</u>
8. Plan fiduciary net position – ending	<u><u>\$ 11,561,223</u></u>
C. Net pension liability/(asset)	<u><u>\$ 40,166,621</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	22.35%
E. Covered Valuation Payroll	\$ 2,252,267
F. Net pension liability as a percentage of covered valuation payroll	1783.39%

**Bensenville Fire Protection District No. 2
Other Post-Employment Benefits Disclosures
For the Year Ended December 31, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Plan Years (When Available)

Plan Year Ending December 31,	2019
Total OPEB liability	
Service cost	\$ 24,570
Interest on the OPEB Liability	18,784
Changes of benefit terms	0
Difference between expected and actual experience of the OPEB Liability	0
Changes of assumptions	14,964
Benefit payments, including refunds of employee contributions	<u>(54,343)</u>
Net change in total OPEB liability	3,975
Total OPEB liability– beginning	<u>543,603</u>
Total OPEB liability – ending	<u><u>\$ 547,578</u></u>
Plan fiduciary net position	
Plan fiduciary net position - Beginning	<u>0</u>
Plan fiduciary net position - Ending	<u><u>\$ 0</u></u>
Net OPEB liability / (asset)	<u><u>\$ 547,578</u></u>
Plan fiduciary net position as a percent of the OPEB Liability	0.00%
Covered Valuation Payroll ("CVP")	\$ 3,308,872
Net OPEB liability as a % of CVP	16.55%

Notes to the Multiyear Schedule of Changes in Employer’s Net OPEB Liability:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Bensenville Fire Protection District No. 2
IMRF Pension Disclosures
For the Year Ended December 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Contributions
Last 10 Fiscal Years (When Available)

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 6,718	\$ 6,718	\$ 0	\$ 84,284	7.97%
2015	10,090	10,090	0	114,797	8.79%
2016	12,309	12,309	0	141,973	8.67%
2017	10,529	10,529	0	134,113	7.85%
2018	9,207	9,207	0	107,121	8.59%
2019	9,484	9,484	0	111,575	8.50%

Notes to the Multiyear Schedule of Contributions:

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of 7.50% annually, projected salary increases assumption of 3.75% to 14.50% plus 2.75% for inflation compounded annually and postretirement benefit increases of 3.50% compounded annually.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Bensenville Fire Protection District No. 2
IMRF Pension Disclosures (Continued)
For the Year Ended December 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION

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

Plan Year Ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability ("TPL")					
Service cost	\$ 10,613	\$ 14,703	\$ 11,772	\$ 9,047	\$ 9,472
Interest on the TPL	11,952	11,439	8,009	6,449	5,088
Changes of benefit terms	0	0	0	0	0
Difference between expected and actual experience of the TPL	(307)	(8,257)	26,733	3,938	2,171
Changes of assumptions	11,338	(6,743)	0	0	1,631
Benefit payments, including refunds of employee contributions	<u>0</u>	<u>(4,508)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in total pension liability	33,596	6,634	46,514	19,434	18,362
Total pension liability— beginning	<u>154,051</u>	<u>147,417</u>	<u>100,903</u>	<u>81,469</u>	<u>63,107</u>
Total pension liability – ending	<u>\$ 187,647</u>	<u>\$ 154,051</u>	<u>\$ 147,417</u>	<u>\$ 100,903</u>	<u>\$ 81,469</u>
Plan fiduciary net position					
Contributions – employer	\$ 9,202	\$ 10,529	\$ 12,309	\$ 10,090	\$ 6,718
Contributions – employee	4,820	6,035	6,389	5,166	3,793
Net investment income	(3,315)	14,949	5,504	370	3,530
Benefit payments, including refunds of employee contributions	0	(4,508)	0	0	0
Other (net transfer)	<u>(396)</u>	<u>(1,412)</u>	<u>(957)</u>	<u>(4,630)</u>	<u>(375)</u>
Net change in plan fiduciary net position	10,311	25,593	23,245	10,996	13,666
Plan fiduciary net position - Beginning	<u>126,119</u>	<u>100,526</u>	<u>77,281</u>	<u>66,285</u>	<u>52,619</u>
Plan fiduciary net position - Ending	<u>\$ 136,430</u>	<u>\$ 126,119</u>	<u>\$ 100,526</u>	<u>\$ 77,281</u>	<u>\$ 66,285</u>
Net pension liability / (asset)	<u>\$ 51,217</u>	<u>\$ 27,932</u>	<u>\$ 46,891</u>	<u>\$ 23,622</u>	<u>\$ 15,184</u>
Plan fiduciary net position as a percent of the TPL	72.71%	81.87%	68.19%	76.59%	81.36%
Covered Valuation Payroll ("CVP")	\$ 107,121	\$ 134,113	\$ 141,973	\$ 114,797	\$ 84,284
Net pension liability as a % of CVP	47.81%	20.83%	33.03%	20.58%	18.02%

Notes to the Multiyear Schedule of Changes in Employer's Net Pension Liability:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Bensenville Fire Protection District No. 2
Firefighters' Pension Disclosures
For the Year Ended December 31, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Contributions
Last 10 Fiscal Years (When Available)

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 1,050,882	\$ 591,714	\$ 459,168	\$ 1,767,347	33.48%
2015	1,142,058	716,085	425,973	1,939,968	36.91%
2016	1,272,135	979,547	292,588	1,894,036	51.72%
2017	1,358,877	1,012,214	346,663	1,960,327	51.63%
2018	1,438,774	807,464	631,310	2,119,528	38.10%
2019	1,520,222	810,464	709,758	2,252,267	35.98%

Notes to the Multiyear Schedule of Contributions:

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 17 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of 7.00% annually, projected salary increases assumption of 3.50% to 22.80% plus 2.50% for inflation compounded annually and postretirement benefit increases of 3.50% compounded annually.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Bensenville Fire Protection District No. 2
Firefighters' Pension Disclosures (Continued)
For the Year Ended December 31, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Investment Returns
Last 10 Fiscal Years (When Available)

<u>Fiscal Year Ending December 31</u>	<u>Annual Money-weighted Rate of Return, Net of Investment Expense</u>
2014	6.13%
2015	-0.09%
2016	6.84%
2017	14.74%
2018	-4.98%
2019	19.05%

Notes to the Multiyear Schedule of Investment Returns:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Bensenville Fire Protection District No. 2
Firefighters' Pension Disclosures (Continued)
For the Year Ended December 31, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

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

Plan Year Ending December 31,	2019	2018	2017	2016	2015	2014
Total pension liability ("TPL")						
Service cost	\$ 904,475	\$ 945,403	\$ 859,470	\$ 820,340	\$ 842,112	\$ 1,054,306
Interest on the TPL	1,999,529	1,863,720	1,842,499	1,894,059	1,785,183	1,528,344
Changes of benefit terms	208,799	0	0	0	0	0
Difference between expected and actual experience of the TPL	(705,020)	710,511	71,991	(892,883)	(447,153)	0
Changes of assumptions	9,676,071	(2,808,516)	1,596,338	(1,423,982)	(1,178,180)	0
Benefit payments, including refunds of employee contributions	(1,664,605)	(1,637,036)	(1,525,205)	(1,431,714)	(1,389,673)	(1,320,988)
Net change in total pension liability	10,419,249	(925,918)	2,845,093	(1,034,180)	(387,711)	1,261,662
Total pension liability— beginning	<u>41,308,595</u>	<u>42,234,513</u>	<u>39,389,420</u>	<u>40,423,600</u>	<u>40,811,311</u>	<u>39,549,649</u>
Total pension liability – ending	<u>\$51,727,844</u>	<u>\$41,308,595</u>	<u>\$42,234,513</u>	<u>\$39,389,420</u>	<u>\$40,423,600</u>	<u>\$40,811,311</u>
Plan fiduciary net position						
Contributions – employer	\$ 810,464	\$ 807,464	\$ 1,012,214	\$ 979,547	\$ 716,085	\$ 591,714
Contributions – employee	217,563	210,932	205,218	205,881	177,866	162,911
Net investment income	1,885,326	(556,779)	1,490,127	669,744	(8,912)	585,351
Benefit payments, including refunds of employee contributions	(1,664,605)	(1,637,036)	(1,525,205)	(1,431,715)	(1,389,673)	(1,320,988)
Administrative expenses	(66,067)	(34,317)	(32,782)	(37,630)	(45,297)	(47,308)
Net change in plan fiduciary net position	1,182,681	(1,209,736)	1,149,572	385,827	(549,931)	(28,320)
Plan fiduciary net position - Beginning	<u>10,378,542</u>	<u>11,588,278</u>	<u>10,438,706</u>	<u>10,052,879</u>	<u>10,602,810</u>	<u>10,631,130</u>
Plan fiduciary net position - Ending	<u>\$11,561,223</u>	<u>\$10,378,542</u>	<u>\$11,588,278</u>	<u>\$10,438,706</u>	<u>\$10,052,879</u>	<u>\$10,602,810</u>
Net pension liability / (asset)	<u>\$40,166,621</u>	<u>\$30,930,053</u>	<u>\$30,646,235</u>	<u>\$28,950,714</u>	<u>\$30,370,721</u>	<u>\$30,208,501</u>
Plan fiduciary net position as a percent of the TPL	22.35%	25.12%	27.44%	26.50%	24.87%	25.98%
Covered Valuation Payroll ("CVP")	\$ 2,252,267	\$ 2,119,528	\$ 1,930,327	\$ 1,894,036	\$ 1,939,968	\$ 1,767,347
Net pension liability as a % of CVP	1783.39%	1459.29%	1587.62%	1528.52%	1565.53%	1709.26%

Notes to the Multiyear Schedule of Changes in Employer's Net Pension Liability:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Bensenville Fire Protection District No. 2
General Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Property Taxes	\$ 2,444,138	\$ 2,444,138	\$ 2,373,562	\$ (70,576)
Charges for Services	137,500	137,500	108,917	(28,583)
Intergovernmental	171,000	171,000	134,973	(36,027)
Grants and Donations	74,000	74,000	100,000	26,000
Rental Income	20,100	20,100	20,142	42
Investment Income	12,000	12,000	27,148	15,148
Miscellaneous	0	0	1,256	1,256
Total Revenues	<u>2,858,738</u>	<u>2,858,738</u>	<u>2,765,998</u>	<u>(92,740)</u>
Expenditures				
Current				
Administration	2,427,600	2,427,600	2,441,029	(13,429)
Fire Service Apparatus	90,000	90,000	127,836	(37,836)
Telecommunications	85,500	85,500	179,586	(94,086)
Station	60,500	60,500	50,099	10,401
Education and Training	15,000	15,000	10,872	4,128
Fire Prevention	5,100	5,100	6,930	(1,830)
Debt Service				
Principal	0	0	136,442	(136,442)
Interest	0	0	21,560	(21,560)
Total Expenditures	<u>2,683,700</u>	<u>2,683,700</u>	<u>2,974,354</u>	<u>(290,654)</u>
Excess (Deficiency) of Revenues over Expenditures	175,038	175,038	(208,356)	(383,394)
Other Financing Sources				
Issuance of Capital Lease	0	0	17,229	17,229
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>17,229</u>	<u>17,229</u>
Net Change in Fund Balance	<u>\$ 175,038</u>	<u>\$ 175,038</u>	(191,127)	<u>\$ (366,165)</u>
Fund Balance,				
Beginning of Year			(94,870)	
Perior Period Adjustment			190,392	
Beginning of Year, Restated			<u>95,522</u>	
End of Year			<u>\$ (95,605)</u>	

See Independent Auditors' Report

Bensenville Fire Protection District No. 2
Ambulance Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 1,617,256	\$ 1,617,256	\$ 1,564,766	\$ (52,490)
Charges for Services	890,000	890,000	1,052,794	162,794
Grants and Donations	0	0	100,000	100,000
Total Revenues	<u>2,507,256</u>	<u>2,507,256</u>	<u>2,717,560</u>	<u>210,304</u>
Expenditures				
Current				
Administration	2,288,340	2,288,340	2,496,826	(208,486)
Telecommunications	85,500	85,500	180,593	(95,093)
Station	25,000	25,000	23,390	1,610
Education and Training	14,000	14,000	3,004	10,996
Apparatus and EMS	46,000	46,000	72,832	(26,832)
Total Expenditures	<u>2,458,840</u>	<u>2,458,840</u>	<u>2,776,645</u>	<u>(317,805)</u>
Net Change in Fund Balance	<u>\$ 48,416</u>	<u>\$ 48,416</u>	(59,085)	<u>\$ (107,501)</u>
Fund Balance,				
Beginning of Year			1,895,882	
Perior Period Adjustment			162,478	
Beginning of Year, Restated			<u>2,058,360</u>	
End of Year			<u>\$ 1,999,275</u>	

See Independent Auditors' Report

Bensenville Fire Protection District No. 2
Emergency and Rescue Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 42,559	\$ 42,559	\$ 41,323	\$ (1,236)
Total Revenues	<u>42,559</u>	<u>42,559</u>	<u>41,323</u>	<u>(1,236)</u>
Expenditures				
Current				
Equipment and Supplies	399,500	399,500	160,322	239,178
Total Expenditures	<u>399,500</u>	<u>399,500</u>	<u>160,322</u>	<u>239,178</u>
Net Change in Fund Balance	<u>\$ (356,941)</u>	<u>\$ (356,941)</u>	(118,999)	<u>\$ 237,942</u>
Fund Balance,				
Beginning of Year			<u>166,650</u>	
End of Year			<u>\$ 47,651</u>	

See Independent Auditors' Report

Bensenville Fire Protection District No. 2
Liability Insurance Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 220,000	\$ 220,000	\$ 213,051	\$ (6,949)
Total Revenues	<u>220,000</u>	<u>220,000</u>	<u>213,051</u>	<u>(6,949)</u>
Expenditures				
Current				
Administration	30,000	30,000	15,000	15,000
Insurance	135,000	135,000	127,837	7,163
Total Expenditures	<u>165,000</u>	<u>165,000</u>	<u>142,837</u>	<u>22,163</u>
Net Change in Fund Balance	<u>\$ 55,000</u>	<u>\$ 55,000</u>	70,214	<u>\$ 15,214</u>
Fund Balance (Deficit), Beginning of Year			<u>(660)</u>	
End of Year			<u>\$ 69,554</u>	

See Independent Auditors' Report

Bensenville Fire Protection District No. 2
Notes to Required Supplementary Information
For the Year Ended December 31, 2019

Budgets are adopted on a basis consistent with generally accepted accounting principles. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

Bensenville Fire Protection District No. 2
Combining Fund Schedule - Non-major Funds
Combining Balance Sheet
December 31, 2019

	Special Revenue Funds				
	Audit	Social Security	IMRF	Foreign Fire Insurance	Total
Assets					
Cash and Cash Equivalents	\$ 4,452	\$ 5,252	\$ 10,643	\$ 51,936	\$ 72,283
Receivables					
Property Taxes	5,000	75,000	9,000	0	89,000
Total Assets	9,452	80,252	19,643	51,936	161,283
Total Deferred Outflows	0	0	0	0	0
Total Assets and Deferred Outflows	9,452	80,252	19,643	51,936	161,283
Liabilities					
Accounts Payable	2,300	0	718	0	3,018
Total Liabilities	2,300	0	718	0	3,018
Deferred Inflows					
Deferred Property Taxes	5,000	75,000	9,000	0	89,000
Total Deferred Inflows	5,000	75,000	9,000	0	89,000
Fund Balances					
Restricted	2,152	5,252	9,925	51,936	69,265
Total Fund Balances	2,152	5,252	9,925	51,936	69,265
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 9,452	\$ 80,252	\$ 19,643	\$ 51,936	\$ 161,283

Bensenville Fire Protection District No. 2
Combining Fund Schedule - Non-major Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2019

	Special Revenue Funds				
	Audit	Social Security	IMRF	Foreign Fire Insurance	Total
Revenues					
Property Taxes	\$ 5,802	\$ 60,529	\$ 9,894	\$ 0	\$ 76,225
Intergovernmental	0	0	0	83,568	83,568
Investment Income	0	0	0	21	21
Total Revenues	5,802	60,529	9,894	83,589	159,814
Expenditures					
Current					
Administration	0	0	0	5	5
Station	0	0	0	17,373	17,373
Education and Training	0	0	0	7,332	7,332
Equipment and Supplies	0	0	0	34,963	34,963
Audit	7,500	0	0	0	7,500
Retirement	0	89,224	9,484	0	98,708
Total Expenditures	7,500	89,224	9,484	59,673	165,881
Net Change in Fund Balances	(1,698)	(28,695)	410	23,916	(6,067)
Fund Balance,					
Beginning of Year	3,850	33,947	9,515	68,764	116,076
Prior Period Adjustment	0	0	0	(40,744)	(40,744)
Beginning of Year, Restated	3,850	33,947	9,515	28,020	75,332
End of Year	\$ 2,152	\$ 5,252	\$ 9,925	\$ 51,936	\$ 69,265

Bensenville Fire Protection District No. 2
Audit Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 5,395	\$ 5,395	\$ 5,802	\$ 407
Total Revenues	<u>5,395</u>	<u>5,395</u>	<u>5,802</u>	<u>407</u>
Expenditures				
Current				
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>\$ (2,605)</u>	<u>\$ (2,605)</u>	(1,698)	<u>\$ 907</u>
Fund Balance,				
Beginning of Year			<u>3,850</u>	
End of Year			<u>\$ 2,152</u>	

Bensenville Fire Protection District No. 2
Social Security Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 62,340	\$ 62,340	\$ 60,529	\$ (1,811)
Total Revenues	<u>62,340</u>	<u>62,340</u>	<u>60,529</u>	<u>(1,811)</u>
Expenditures				
Current				
Retirement	90,000	90,000	89,224	776
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>89,224</u>	<u>776</u>
Net Change in Fund Balance	<u>\$ (27,660)</u>	<u>\$ (27,660)</u>	<u>(28,695)</u>	<u>\$ (1,035)</u>
Fund Balance,				
Beginning of Year			<u>33,947</u>	
End of Year			<u>\$ 5,252</u>	

Bensenville Fire Protection District No. 2
IMRF Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 10,190	\$ 10,190	\$ 9,894	\$ (296)
Total Revenues	<u>10,190</u>	<u>10,190</u>	<u>9,894</u>	<u>(296)</u>
Expenditures				
Current				
Retirement	6,000	6,000	9,484	(3,484)
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>9,484</u>	<u>(3,484)</u>
Net Change in Fund Balance	<u>\$ 4,190</u>	<u>\$ 4,190</u>	410	<u>\$ (3,780)</u>
Fund Balance,				
Beginning of Year			<u>9,515</u>	
End of Year			<u>\$ 9,925</u>	

Bensenville Fire Protection District No. 2
Foreign Fire Insurance Fund
Budgetary Comparison Schedule - No Legally Adopted Budget
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	Actual
Revenues	
Intergovernmental	\$ 83,568
Investment Income	21
	83,589
Total Revenues	
Expenditures	
Current	
Administration	5
Station	17,373
Education and Training	7,332
Equipment and Supplies	34,963
	59,673
Total Expenditures	
Net Change in Fund Balance	23,916
Fund Balance,	
Beginning of Year	68,764
Prior Period Adjustment	(40,744)
Beginning of Year, Restated	28,020
End of Year	\$ 51,936

Bensenville Fire Protection District No. 2
Revenue Capacity Schedules
Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections
December 31, 2019

Tax Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessed Valuation										
(in thousands)	\$ 743,843	\$ 678,085	\$ 606,388	\$ 542,603	\$ 521,803	\$ 506,480	\$ 479,008	\$ 510,374	\$ 568,059	\$ 506,480
Tax Rates										
Corporate	0.2186	0.2336	0.2654	0.2987	0.3098	0.3211	0.3215	0.3095	0.2910	0.2893
IMRF	0.0014	0.0011	0.0012	0.0017	0.0018	0.0025	0.0027	0.0022	0.0017	0.0017
Audit	0.0009	0.0011	0.0023	0.0019	0.0019	0.0021	0.0016	0.0018	0.0009	0.0010
Liability Insurance	0.0101	0.0114	0.0130	0.0169	0.0177	0.0201	0.0237	0.0225	0.0405	0.0366
Pension	0.0402	0.0486	0.0552	0.0751	0.0780	0.0804	0.0811	0.0765	0.0775	0.0755
Social Security/Medicare	0.0032	0.0036	0.0082	0.0075	0.0079	0.0161	0.0173	0.0162	0.0102	0.0104
Ambulance	0.1917	0.2160	0.2453	0.2806	0.2921	0.3011	0.3030	0.2906	0.2704	0.2688
Emergency and Rescue	0.0148	0.0117	0.0084	0.0065	0.0060	0.0151	0.0036	0.0055	0.0070	0.0071
Fire Pension Exempt	0.0035	0.0190	0.0226	0.0379	0.0390	0.0529	0.0552	0.0497	0.0453	0.0429
	<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>	<u>0.7745</u>	<u>0.7445</u>	<u>0.7333</u>
Tax Extensions										
Corporate	\$ 1,626,040	\$ 1,584,004	\$ 1,609,353	\$ 1,621,668	\$ 1,584,387	\$ 1,595,177	\$ 1,540,012	\$ 1,579,609	\$ 1,653,050	\$ 1,636,784
IMRF	10,413	7,646	7,276	9,229	9,206	12,420	12,933	11,228	9,656	9,618
Audit	6,694	7,725	13,946	10,315	9,717	10,432	7,664	9,187	5,112	5,658
Liability Insurance	75,128	77,221	78,830	91,751	90,522	99,854	113,525	114,834	230,063	207,073
Pension	299,024	329,600	334,726	407,724	398,909	399,415	388,476	390,436	440,245	427,159
Social Security/Medicare	23,802	24,466	49,723	40,718	40,402	79,983	82,869	82,681	57,940	58,841
Ambulance	1,425,947	1,464,909	1,487,469	1,523,401	1,493,865	1,495,820	1,451,396	1,483,148	1,536,030	1,520,800
Emergency and Rescue	110,088	79,239	50,936	35,289	30,685	75,015	17,244	28,071	39,764	40,170
Fire Pension Exempt	25,750	128,750	137,140	206,000	199,455	262,799	264,413	253,656	257,500	242,717
	<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>	<u>\$ 3,952,850</u>	<u>\$ 4,229,360</u>	<u>\$ 4,148,820</u>
Tax Collections	<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>\$ 4,014,830</u>	<u>\$ 3,857,934</u>	<u>\$ 3,934,194</u>	<u>\$ 4,153,065</u>	<u>\$ 4,268,927</u>
Percentage Collected	<u>97.98%</u>	<u>97.66%</u>	<u>98.83%</u>	<u>97.73%</u>	<u>98.61%</u>	<u>99.60%</u>	<u>99.47%</u>	<u>99.53%</u>	<u>98.20%</u>	<u>102.89%</u>

Bensenville Fire Protection District No. 2
Debt Capacity Schedules
Debt Limit Information
December 31, 2019

Assessed Valuation - Tax Year 2018	<u>\$ 506,480,362</u>
Statutory Debt Limitation (5.75% of Assessed Valuation)	29,122,621
Amount of Debt Applicable to Debt Limitation	<u>0</u>
Legal Debt Margin	<u>\$ 29,122,621</u>