



**BENSENVILLE
FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

ANNUAL FINANCIAL STATEMENTS

For the Year Ended December 31, 2022



SIKICH.COM

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-6
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4
Statement of Activities	5
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	6-7
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	8
Statement of Revenues, Expenditures and Changes in Fund Balances	9-10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	11
Fiduciary Fund - Firefighters’ Pension Fund	
Statement of Fiduciary Net Position.....	12
Statement of Changes in Fiduciary Net Position.....	13
Notes to Financial Statements	14-44

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	45
Ambulance Fund	46
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	47
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	48-49
Firefighters' Pension Fund	
Schedule of Employer Contributions	50
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	51-52
Schedule of Investment Returns	53
Other Postemployment Benefit Plan	
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	54
Notes to Required Supplementary Information	55

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	56-57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58-59
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Audit Fund	60
Liability Insurance Fund	61
IMRF and Social Security Fund	62
Emergency and Rescue Fund	63

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Bensenville Fire Protection District No. 2
Bensenville, Illinois

Opinions

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 (the District), as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Bensenville Fire Protection District No. 2 as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. The implementation of this guidance resulted in changes to the assets, deferred inflows of resources, long-term debt and notes to the financial statements (see Notes 5, 7 and 11 for additional information). Our opinion is not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Required Supplementary Information

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

Management has omitted the Schedule of Changes in the Total OPEB Liability and Related Ratios for December 31, 2018 for the Other Postemployment Benefits Plan that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Sikich LLP

Naperville, Illinois
January 4, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2

Bensenville, Illinois

Management's Discussion and Analysis

December 31, 2022

Our discussion and analysis of the Bensenville Fire Protection District #1's financial performance provides an overview of the District's financial activities for the year ended December 31, 2022. Please read it in conjunction with District's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The District's total liabilities/deferred inflows exceeded assets/deferred outflows at the close of the most recent fiscal year by \$31,591,009.
- The District's total net position increased \$1,647,569 resulting in an ending deficit net position of \$31,591,009.
- At December 31, 2022, the District's governmental funds reported combined ending fund balances of \$5,504,478, an increase of \$1,803,550 from the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 5) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 6. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

The government-wide financial statements provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 4 - 5 of this report.

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

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2

Bensenville, Illinois

Management's Discussion and Analysis

December 31, 2022

USING THIS ANNUAL REPORT – Continued

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

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, a major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

The basic governmental fund financial statements can be found on pages 6 - 11 of this report.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2

Bensenville, Illinois

Management's Discussion and Analysis

December 31, 2022

USING THIS ANNUAL REPORT – Continued

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 12 - 13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 - 44 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 45 - 55 of this report. The budgetary comparison schedules referred to earlier can be found on pages 56 - 63.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities/deferred inflows exceeded assets/deferred outflows by \$31,591,009 during the year. Total revenues were \$8,194,729, while total expenses were \$6,547,160

A large portion of the District's net position, \$2,447,251, reflects its investment in capital assets (for example, land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2,748,700, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$36,786,960 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2

Bensenville, Illinois

Management's Discussion and Analysis

December 31, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

	Net Position	
	2022	2021
Current and Other Assets	\$ 14,667,785	9,608,172
Capital Assets	2,475,964	2,651,248
Total Assets	17,143,749	12,259,420
Deferred Outflows	16,409,377	15,337,300
Total Assets/Deferred Outflows	33,553,126	27,596,720
Long-Term Debt	41,375,042	34,674,479
Other Current Liabilities	597,490	177,366
Total Liabilities	41,972,532	34,851,845
Deferred Inflows	23,171,603	25,220,955
Total Liabilities/Deferred Inflows	65,144,135	60,072,800
Net Position		
Net Investment in Capital Assets	2,447,251	2,282,246
Restricted	2,748,700	351,270
Unrestricted (Deficit)	(36,786,960)	(35,109,596)
Total Net Position	(31,591,009)	(32,476,080)

Governmental Funds

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

Governmental funds reported ending fund balances of \$5,504,478. Of this total, \$133,318 is unassigned and \$2,697,853 is restricted, \$1,968,646 is assigned, and a non-spendable amount of \$704,661.

The General Fund is the primary operating fund of the District. The fund balance of the General Fund (Corporate, Ambulance and Pension Funds combined) at December 31, 2022 is \$229,357.

The General fund balance decreased by \$1,421,214, due mainly to the increases in transfers to the capital fund to support capital projects.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2

Bensenville, Illinois

Management's Discussion and Analysis**December 31, 2022****GENERAL FUND BUDGETARY HIGHLIGHTS**

The District Board did not make any subsequent changes to the General Fund budget once it was approved. Actual revenues of \$2,532,306 were \$889,694 lower than budgeted revenues of \$3,422,000. Actual revenues were lower than budgeted revenues in all areas, except intergovernmental, and miscellaneous grants and donations. This was mainly due to property taxes and miscellaneous income being under budget by \$359,506, and \$553,986 respectively.

Actual expenditures of \$2,303,520 were \$526,680 lower than budgeted expenditures of \$2,830,200 due primarily to station and personnel expenditures being under budget.

	Changes in Fund Balance	
	2022	2021
Revenues		
Charges for Services	\$ 23,646	240,834
Grants & Donations	5,000	4,350
Property Taxes	2,140,494	3,158,585
Intergovernmental	227,111	148,811
Rental Income	2,007	21,316
Investment Income	3,034	2,098
Miscellaneous	131,014	45,751
Total Revenues	2,532,306	3,621,745
Expenses		
Fire Prevention	2,204,847	2,833,340
Debt Service	98,673	697,270
Total Expenses	2,303,520	3,530,610
Other Financing Sources		
Transfer In (Out)	(1,650,000)	20,000
Change in Fund Balance	(1,421,214)	111,135
Fund Balance - Beginning	1,650,571	1,539,436
Fund Balance - Ending	229,357	1,650,571

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2

Bensenville, Illinois

Management's Discussion and Analysis

December 31, 2022

DEBT ADMINISTRATION

At the end of the fiscal year, the District has \$14,335,000 of general obligation bonds outstanding and \$193,146 capital lease obligations outstanding.

Additional information on the District's long-term debt can be found in note 3 of this report.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of December 31, 2022 was \$2,640,397 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, equipment and improvements.

Additional information on the District's capital assets can be found in note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's appointed officials considered many factors when setting the fiscal-year 2023 budget, tax rates, and fees that will be charged for its governmental activities, including the change in the CPI, unemployment rates and other economic factors.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Bensenville Fire Protection District #2's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Bensenville Fire Protection District #2, 500 S. York Road, Bensenville, Illinois 60106.

BASIC FINANCIAL STATEMENTS

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 4,524,861
Receivables	
Property taxes	7,144,750
Ambulance	809,835
Lease receivable	1,268,398
Prepays	704,661
Net pension asset - IMRF	50,847
Capital assets not being depreciated	115,000
Capital assets (net of accumulated depreciation)	2,360,964
Intangible assets (net of accumulated amortization)	164,433
Total assets	17,143,749
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	40,436
Pension items - Firefighters' pension	16,368,941
Total deferred outflows of resources	16,409,377
Total assets and deferred outflows of resources	33,553,126
LIABILITIES	
Accounts payable	489,028
Accrued payroll	82,462
Unearned revenue	26,000
Long-term liabilities	
Due within one year	1,063,163
Due in more than one year	40,311,879
Total liabilities	41,972,532
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	7,087,143
Leases	1,263,394
Pension items - IMRF	99,099
Pension items - Firefighters' pension	14,721,967
Total deferred inflows of resources	23,171,603
Total liabilities and deferred inflows of resources	65,144,135
NET POSITION	
Net investment in capital assets	2,447,251
Restricted	
Debt service	10,716
Insurance	345,981
Public safety	2,341,156
Pensions	50,847
Unrestricted (deficit)	(36,786,960)
TOTAL NET POSITION (DEFICIT)	\$ (31,591,009)

See accompanying notes to financial statements.

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
PRIMARY GOVERNMENT					Total
Governmental Activities					Governmental
Fire prevention	\$ 6,205,614	\$ 1,702,847	\$ 10,000	\$ -	\$ (4,492,767)
Interest and fiscal charges	341,546	-	-	-	(341,546)
Total governmental activities	6,547,160	1,702,847	10,000	-	(4,834,313)
TOTAL PRIMARY GOVERNMENT	\$ 6,547,160	\$ 1,702,847	\$ 10,000	\$ -	(4,834,313)
General Revenues					
Taxes					
					5,720,484
					48,327
					480,222
					3,089
					229,760
					<u>6,481,882</u>
					<u>1,647,569</u>
					<u>(32,476,080)</u>
					<u>(762,498)</u>
					<u>(33,238,578)</u>
					<u>\$ (31,591,009)</u>

See accompanying notes to financial statements.

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2022

	General	Ambulance	Pension Obligation Bond
ASSETS			
Cash and investments	\$ 230,339	\$ 1,631,946	\$ 167,194
Receivables			
Property taxes	2,247,743	2,234,597	2,342,208
Ambulance receivable	-	809,835	-
Lease receivable	984,440	283,958	-
Due from other funds	133,039	-	-
Prepaid items	20,186	20,186	-
TOTAL ASSETS	\$ 3,615,747	\$ 4,980,522	\$ 2,509,402
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 122,818	\$ 124,026	\$ 167,194
Accrued payroll	45,265	34,991	-
Due to other funds	-	-	-
Unearned revenue	13,000	13,000	-
Total liabilities	181,083	172,017	167,194
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	2,224,751	2,214,100	2,331,492
Leases	980,556	282,838	-
Total deferred inflows of resources	3,205,307	2,496,938	2,331,492
Total liabilities and deferred inflows of resources	3,386,390	2,668,955	2,498,686
FUND BALANCES			
Nonspendable	20,186	20,186	-
Restricted			
Debt service	-	-	10,716
Insurance	-	-	-
Public safety	-	2,291,381	-
Unrestricted			
Assigned			
Capital projects	-	-	-
Unassigned (deficit)	209,171	-	-
Total fund balances	229,357	2,311,567	10,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,615,747	\$ 4,980,522	\$ 2,509,402

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,043,146	\$ 452,236	\$ 4,524,861
-	320,202	7,144,750
-	-	809,835
-	-	1,268,398
-	-	133,039
656,854	7,435	704,661
\$ 2,700,000	\$ 779,873	\$ 14,585,544
\$ 74,500	\$ 490	\$ 489,028
-	2,206	82,462
-	133,039	133,039
-	-	26,000
74,500	135,735	730,529
-	316,800	7,087,143
-	-	1,263,394
-	316,800	8,350,537
74,500	452,535	9,081,066
656,854	7,435	704,661
-	-	10,716
-	345,981	345,981
-	49,775	2,341,156
1,968,646	-	1,968,646
-	(75,853)	133,318
2,625,500	327,338	5,504,478
\$ 2,700,000	\$ 779,873	\$ 14,585,544

See accompanying notes to financial statements.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 5,504,478
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and intangible capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	2,640,397
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(58,663)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,646,974
Net pension liability for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(25,219,675)
Net pension asset for the Illinois Municipal Retirement Fund is shown as an asset on the statement of net position	50,847
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(14,335,000)
Unamortized bond discount	97,255
Leases payable	(193,146)
Compensated absences	(539,056)
Total OPEB liability	<u>(1,185,420)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (31,591,009)</u></u>

See accompanying notes to financial statements.

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022

	General	Ambulance	Pension Obligation Bond
REVENUES			
Property taxes	\$ 2,140,494	\$ 2,120,674	\$ 1,114,892
Charges for service	23,646	1,676,616	-
Foreign fire insurance tax	-	-	-
Intergovernmental	227,111	253,111	-
Grants and donations	5,000	5,000	-
Rental income	2,007	578	-
Investment income	3,034	49	-
Miscellaneous	131,014	98,746	-
Total revenues	2,532,306	4,154,774	1,114,892
EXPENDITURES			
Current			
Fire prevention	2,204,847	2,152,953	104,523
Capital outlay	-	-	-
Debt Service			
Principal payments	87,928	87,928	685,000
Interest and fiscal charges	10,745	10,745	314,653
Total expenditures	2,303,520	2,251,626	1,104,176
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	228,786	1,903,148	10,716
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	(1,650,000)	(1,257,000)	-
Total other financing sources (uses)	(1,650,000)	(1,257,000)	-
NET CHANGE IN FUND BALANCES	(1,421,214)	646,148	10,716
FUND BALANCES, JANUARY 1	1,650,571	1,665,419	-
FUND BALANCES, DECEMBER 31	\$ 229,357	\$ 2,311,567	\$ 10,716

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 344,424	\$ 5,720,484
-	-	1,700,262
-	48,327	48,327
-	-	480,222
-	-	10,000
-	-	2,585
-	6	3,089
-	-	229,760
-	392,757	8,194,729
-	450,357	4,912,680
281,500	-	281,500
-	-	-
-	-	860,856
-	-	336,143
281,500	450,357	6,391,179
(281,500)	(57,600)	1,803,550
2,907,000	-	2,907,000
-	-	(2,907,000)
2,907,000	-	-
2,625,500	(57,600)	1,803,550
-	384,938	3,700,928
\$ 2,625,500	\$ 327,338	\$ 5,504,478

See accompanying notes to financial statements.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 1,803,550
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	510,938
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(257,159)
Amortization	(248,642)
Loss on disposal of capital assets does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(15,988)
The change in the total OPEB liability is reported as an expense on the statement of activities	239,478
The change in Firefighters' Pension Fund net pension liability and deferred inflows and outflows of resources are not a source or use of a financial resource	(1,105,927)
The change in IMRF net pension asset and deferred inflows and outflows of resources are not a source or use of a financial resource	8,143
The amortization of bond discount is not reported as an expenditure in governmental funds	(5,403)
The change in compensated absences is reported as a reduction of expense on the statement of activities	(142,277)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	<u>860,856</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,647,569</u></u>

See accompanying notes to financial statements.

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION
FIREFIGHTERS' PENSION FUND**

December 31, 2022

ASSETS	
Cash and cash equivalents	<u>\$ 186,703</u>
Investments held in the Illinois Firefighters' Pension Investment Fund	<u>22,065,220</u>
Total investments	<u>22,065,220</u>
Due from District	167,194
Prepaid expenses	<u>5,985</u>
Total assets	<u>22,425,102</u>
LIABILITIES	
Accounts payable	<u>4,571</u>
Total liabilities	<u>4,571</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 22,420,531</u></u>

See accompanying notes to financial statements.

BENSENVILLE FIRE PROTECTION DISTRICT NO.2
BENSENVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIREFIGHTERS' PENSION FUND

For the Year Ended December 31, 2022

ADDITIONS

Contributions	
Employer contributions	\$ 104,523
Employee contributions	<u>201,395</u>
Total contributions	<u>305,918</u>
Investment income	
Net depreciation in fair value of investments	(4,209,372)
Interest	<u>137,853</u>
Total investment income (loss)	(4,071,519)
Less investment expense	<u>(12,578)</u>
Net investment income (loss)	<u>(4,084,097)</u>
Total additions	<u>(3,778,179)</u>

DEDUCTIONS

Pension benefits	1,991,523
Administrative expenses	<u>37,938</u>
Total deductions	<u>2,029,461</u>

NET DECREASE (5,807,640)

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>28,228,171</u>
December 31	<u><u>\$ 22,420,531</u></u>

See accompanying notes to financial statements.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bensenville Fire Protection District No. 2 (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

a. Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS) to provide fire protection and ambulance services. These financial statements include all functions, programs and activities under the control of the Board of Trustees of the District. The District provides fire, rescue, emergency medical services and general administrative services. The District is considered to be a primary government pursuant to GASB Statement No. 61 since it is legally separate and fiscally independent. As required by GAAP, these financial statements present the District (the primary government) and its component unit. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. A blended component unit, although legally separate, is, in substance, part of the District's operations and so data from this unit is combined with the data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column on the government-wide financial statements to emphasize it is legally separate from the District. The District has no discretely presented component units.

The District's financial statements include the Firefighters' Pension Plan as a fiduciary component unit reported as a Pension Trust Fund.

Firefighters' Pension Employees Retirement System

The District's financial statements include the Firefighters' Pension System (the FPERs) as a fiduciary component unit reported as a Pension Trust Fund. The District's sworn full-time firefighters participate in the FPERs. FPERs functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the District President, one elected pension beneficiary and two elected from active participants of the Firefighters' Pension Fund constitute the pension board.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (Continued)

The participants are required to contribute a percentage of salary as established by state statute and the District is obligated to fund all remaining FPERs costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the District is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the FPERs is fiscally dependent on the District.

b. Fund Accounting

The District uses funds to report on its financial position and changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of restricted, committed or assigned for monies (special revenue funds) and the funds restricted, committed or assigned for acquisition or construction of capital assets (capital projects funds), and the funds restricted, committed or assigned for servicing of general long-term debt (debt service funds) and the management of funds held in trust that can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the District not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a pension trust fund is used.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and standard revenues 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 instead as general revenues.

Separate financial statements are provided for the governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All financial resources, except those accounted for in another fund, are accounted for in the General Fund.

The Ambulance Fund accounts for the direct costs of emergency medical services and an allocation of administration costs.

The Pension Obligation Fund accounts for the District's financial resources that are restricted for employer contributions made to the Firefighters' Pension Fund.

The Capital Projects Fund is used to account for the acquisition and construction of major capital projects.

Additionally, the District reports the Firefighters' Pension Fund as a fiduciary fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services.

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

e. Cash and Investments

Investments with maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with maturity greater than one year at time of purchase are stated at fair value. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District held no investments subject to fair value measurement at December 31, 2022.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets are recorded as expenditures at the time of purchase. Capital assets, which include land, buildings and improvements, equipment, and when applicable, infrastructure assets (e.g. roads and bridges), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

Intangible assets represent the District's right-to-use a leased asset. These intangible assets, as defined by GASB Statements No. 87, *Leases*, are for lease contracts of nonfinancial assets including vehicles and equipment.

g. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid expenses/items using the consumption method. Such amounts are offset by nonspendable fund balance for prepaid expenses/items in the fund financial statements.

h. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities financial statements. Principal payments on long-term debt are recorded as expenditures in the fund financial statements but as a reduction of a liability on the government-wide statements.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

i. Compensated Absences

Vested or accumulated vacation, compensatory and sick time that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation, compensatory and sick time of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

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 70% of the hourly rate.

j. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The District's Board of Trustees has the authority to assign fund balance. Any residual fund balance in the General Fund is reported as unassigned. Any deficits in other governmental funds are also reported as unassigned.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balance/Net Position (Continued)

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

The District has not established formal fund balance reserve policies.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the District. Net investment in capital assets is the book value of capital and intangible assets less any outstanding debt that was issued for the construction or acquisition of the capital assets and debt obligations associated with the intangible assets.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

l. Interfund Transactions

Reciprocal interfund service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

m. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other fund" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. PROPERTY TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, 2022, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2023 and July 1, 2023 and are payable in two installments, on or about March 1, 2023 and August 1, 2023. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience. Since the 2022 levy is intended to fund the 2023 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources. The second installment of the 2021 tax levy bills were issued in November 2022 with payments due December 30, 2022, resulting in final collections of the 2021 levy not occurring until January and February 2023.

3. DEPOSITS AND INVESTMENTS

ILCS and the District's investment policy authorize the District to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, bonds or other interest-bearing obligations of the United States of State of Illinois and The Illinois Funds.

The District maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. The deposits and investments of the pension trust funds are held separately from those of other funds.

Deposits with Financial Institutions

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

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

Investments

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. The District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maintaining a balanced portfolio as set by the Board of Trustees in terms of maturity

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy requires all investments be held by an agent of the District in the District's name.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity by primarily investing in obligations guaranteed by the United States Government and securities issued by certain agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. The District's investment policy is silent on concentration of credit risk.

4. INTERFUND DISCLOSURES

Transfers to/from other funds at December 31, 2022, consist of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 1,650,000
Ambulance	-	1,257,000
Capital Projects	<u>2,907,000</u>	<u>-</u>
TOTAL TRANSFERS TO/FROM OTHER FUNDS	<u><u>\$ 2,907,000</u></u>	<u><u>\$ 2,907,000</u></u>

The purpose of the significant transfers in/out are as follows:

- \$1,650,000 was transferred from the General Fund to the Capital Projects Fund for future capital improvements. The transfer will not be repaid.
- \$1,257,000 was transferred from the Ambulance Fund to the Capital Projects Fund for future capital improvements. The transfer will not be repaid.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balances, January 1	Increases	Decreases	Balances, December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Total capital assets not being depreciated	115,000	-	-	115,000
Tangible capital assets being depreciated				
Buildings	2,259,000	-	-	2,259,000
Vehicles	1,429,602	-	-	1,429,602
Equipment	968,823	253,270	-	1,222,093
Improvements	209,975	257,668	19,985	447,658
Total tangible capital assets being depreciated	4,867,400	510,938	19,985	5,358,353
Intangible capital assets being amortized				
Fire and ambulance equipment	951,331	-	-	951,331
Total intangible capital assets being amortized	951,331	-	-	951,331
Less accumulated depreciation for tangible capital assets				
Buildings	819,770	57,923	-	877,693
Vehicles	1,231,474	59,243	-	1,290,717
Equipment	591,766	124,546	-	716,312
Improvements	101,217	15,447	3,997	112,667
Total accumulated depreciation for tangible capital assets	2,744,227	257,159	3,997	2,997,389
Less accumulated amortization for intangible assets				
Fire and ambulance equipment	538,256	248,642	-	786,898
Total accumulated amortization for intangible capital assets	538,256	248,642	-	786,898
Total tangible and intangible capital assets being depreciated and amortized, net	2,536,248	5,137	15,988	2,525,397
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 2,651,248	\$ 5,137	\$ 15,988	\$ 2,640,397

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

GOVERNMENTAL ACTIVITIES	
Fire prevention	<u>\$ 257,159</u>

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. GENERAL LONG-TERM DEBT

- a. Changes in general long-term debt of the District for the year ended December 31, 2022, is as follows:

	Balance, January 1	Increases	Decreases	Balance, December 31	Current Portion
Lease obligation	\$ 369,002	\$ -	\$ 175,856	\$ 193,146	\$ 193,146
General obligation bonds	15,020,000	-	685,000	14,335,000	690,000
Unamortized bond discount	(102,658)	-	(5,403)	(97,255)	-
Compensated absences payable	396,779	223,552	81,275	539,056	107,811
Net pension liability - Firefighters' Pension Fund	17,566,458	7,653,217	-	25,219,675	-
Total OPEB liability	1,424,898	-	239,478	1,185,420	72,206
TOTAL	\$ 34,674,479	\$ 7,876,769	\$ 1,176,206	\$ 41,375,042	\$ 1,063,163

The General Fund has typically been used to liquidate the compensated absences, the net pension liabilities and the total OPEB liability.

- b. Leases

The District entered into a lease arrangement in October 2019, for the right-to-use one tower ladder. Payments of 197,347 are due in annual installments, through October 2023. Total intangible right-to-use assets acquired under this agreement are \$951,331.

Obligations of governmental activities under leases payable, typically paid from the General Fund and Ambulance Fund, including future interest payments at December 31, 2022, were as follows:

Fiscal Year Ending December 31,	Leases	
	Principal	Interest
2023	\$ 193,146	\$ 4,201
TOTAL	\$ 193,146	\$ 4,201

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. GENERAL LONG-TERM DEBT (Continued)

c. General Obligation Bond

In 2021, the District issued \$15,350,000 of General Obligation Bonds (Alternate Revenue Source), Series 2021 with semi-annual principal installments ranging from \$330,000 to \$970,000 through December 31, 2040. Interest is payable semiannually on June 30 and December 31 at rates from 0.33% to 3.00%. The proceeds from the bonds are to be used to fund the District's pension obligations.

Debt service to maturity on general obligation bonds is as follows:

Fiscal Year	Principal	Interest
2023	\$ 690,000	\$ 311,492
2024	695,000	308,042
2025	700,000	303,177
2026	705,000	295,617
2027	715,000	286,593
2028	725,000	275,510
2029	740,000	263,185
2030	750,000	248,755
2031	770,000	233,380
2032	785,000	216,440
2033	805,000	198,385
2034	825,000	177,858
2035	845,000	156,820
2036	865,000	133,583
2037	890,000	109,795
2038	915,000	83,985
2039	945,000	57,450
2040	970,000	29,100
TOTAL	\$ 14,335,000	\$ 3,689,167

d. Pledged Revenue

The District has pledged a portion of future revenues from available general fund revenues to repay the principal and interest on the General Obligation Bonds Series 2021. For the current year, principal and interest payments were \$999,232, while total pledged revenue was \$2,818,026. The total pledge remaining for the bonds is \$18,024,167.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the District’s lessor activity is as follows:

The District entered into a lease arrangement in November 2014 to lease cell tower property. Payments ranging from \$1,845 to \$7,401 are due to the District in monthly installments, through December 31, 2069, which reflects all renewal options being exercised for this arrangement. The lease arrangement is noncancelable and maintains an interest rate of 2.119%. During the fiscal year, the District collected \$22,138 and recognized a \$26,928 reduction in the related deferred inflow of resources. The remaining lease receivable and deferred inflow of resources for this arrangement is \$1,268,398 and \$1,263,394 as of December 31, 2022, respectively.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. 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 the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in the fiscal year or prior three fiscal years.

9. EMPLOYEE RETIREMENT SYSTEMS

The District contributes to two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Firefighters’ Pension Plan (collectively called the pension plans) which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCs and can only be amended by the Illinois General Assembly. The Firefighters’ Pension Plan does not issue a separate report. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

The table below is a summary for all pension plans as of and for the year ended December 31, 2022:

	IMRF	Firefighters’ Pension	Total
Net pension asset	\$ 50,847	\$ -	\$ 50,847
Net pension liability	-	25,219,675	25,219,675
Deferred outflows of resources	40,436	16,368,941	16,409,377
Deferred inflows of resources	99,099	14,721,967	14,821,066
Pension expense	(4,270)	1,210,450	1,206,180

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2021 (plan measurement date), IMRF membership consisted of:

Inactive plan members or their beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>1</u>
 TOTAL	 <u><u>1</u></u>

Benefits Provided

All employees (other than those covered by the Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended December 31, 2022 was 4.52% of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2022 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2021	\$ 174,029	\$ 205,739	\$ (31,710)
Changes for the period			
Service cost	8,182	-	8,182
Interest	12,914	-	12,914
Difference between expected and actual experience	511	-	511
Changes in assumptions	-	-	-
Employer contributions	-	8,136	(8,136)
Employee contributions	-	3,500	(3,500)
Net investment income	-	30,647	(30,647)
Benefit payments and refunds	-	-	-
Other (net transfer)	-	(1,539)	1,539
Net changes	21,607	40,744	(19,137)
BALANCES AT DECEMBER 31, 2021	\$ 195,636	\$ 246,483	\$ (50,847)

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2022, the District recognized pension expense (income) of \$(4,270).

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,174	\$ 68,818
Changes in assumption	9,389	10,508
Net difference between projected and actual earnings on pension plan investments	-	19,773
Contributions made subsequent to the measurement date	3,873	-
	<hr/>	<hr/>
TOTAL	\$ 40,436	\$ 99,099

\$3,873 reported as deferred outflows of pensions result from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending <u>December 31,</u>	
2023	\$ (6,721)
2024	(9,376)
2025	(7,053)
2026	(5,223)
2027	(2,150)
Thereafter	<hr/> (32,013)
TOTAL	<hr/> \$ (62,536)

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ (2,084)	\$ (50,847)	\$ (74,481)

Firefighters' Pension Plan

Plan Administration

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois Legislature. The District accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Firefighters' District Board of Trustees, one member is elected by pension beneficiaries and two members are elected by active firefighters.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Plan Administration (Continued)

At December 31, 2022 (most recent data available), membership consisted of:

Inactive plan members currently receiving benefits	28
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>21</u>
TOTAL	<u><u>51</u></u>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement.

The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. 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 has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Fund. For the year ended December 31, 2022, the District's contribution was 5.95% of covered payroll.

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transfer to IPFIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Firefighters' Pension Fund's deposits may not be returned to it.

The Firefighters' Pension Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at December 31, 2022 are covered by federal depository insurance.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2022.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IFPIF was \$22,065,220 at December 31, 2022. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2022. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Policy

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

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (15.80%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2022	\$ 45,794,628	\$ 28,228,171	\$ 17,566,457
Changes for the period			
Service cost	858,812	-	858,812
Interest	2,173,203	-	2,173,203
Difference between expected and actual experience	116,911	-	116,911
Changes in assumptions	758,652	-	758,652
Change in benefit terms	(70,477)	-	(70,477)
Employer contributions	-	104,523	(104,523)
Employee contributions	-	201,395	(201,395)
Other contributions	-	-	-
Net investment income	-	(4,084,097)	4,084,097
Benefit payments and refunds	(1,991,523)	(1,991,523)	-
Administrative expense	-	(37,938)	37,938
Net changes	1,845,578	(5,807,640)	7,653,218
BALANCES AT DECEMBER 31, 2022	\$ 47,640,206	\$ 22,420,531	\$ 25,219,675

As of December 31, 2022, the plan is 47.06% funded.

There were changes in assumptions in 2022 related to the discount rate. Changes in benefit terms in 2022 relate to Tier II benefit increases.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	3.25% to 22.55%
Investment rate	6.75%
Discount rate	4.73%
Cost of living adjustments	2.25%
Asset valuation method	Fair value

The mortality rates and actuarial assumptions used were based on the Pub-2010 adjusted for Plan Status, Demographics, and Illinois Public Pension Data.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2022 was 4.73%. The discount rate at December 31, 2021 was 4.84%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the Fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was blended with the index rate of 3.72% for tax-exempt general obligation municipal bonds rated AA or better to arrive at a discount rate of 4.73% used to determine the total pension liability.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 4.73% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.73%) or 1 percentage point higher (5.73%) than the current rate:

	1% Decrease (3.73%)	Current Discount Rate (4.73%)	1% Increase (5.73%)
Net pension liability	\$ 33,055,315	\$ 25,219,675	\$ 18,950,958

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2022, the District recognized pension expense of \$1,210,450. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,414,341	\$ 2,026,397
Changes in assumption	11,087,402	12,695,570
Net difference between projected and actual earnings on pension plan investments	3,867,198	-
TOTAL	<u>\$ 16,368,941</u>	<u>\$ 14,721,967</u>

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Fund will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2023	\$ 198,413
2024	644,450
2025	650,032
2026	978,551
2027	(939,769)
Thereafter	<u>115,297</u>
 TOTAL	 <u>\$ 1,646,974</u>

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, 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 activity of the plan is reported in the District's governmental activities.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. 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 until the employee is Medicare eligible.

c. Membership

At December 31, 2022 (most recent data available), membership consisted of:

Inactive fund members or beneficiaries currently receiving benefits payments	3
Inactive fund members entitled to but not yet receiving benefit payments	-
Active fund members	<u>22</u>
TOTAL	<u><u>25</u></u>

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Actuarial Assumptions and Other Inputs

Actuarial valuation date	January 1, 2022
Measurement date	December 31, 2022
Actuarial cost method	Entry-age normal
Inflation	3.00%
Discount rate	4.31%
Healthcare cost trend rates	7.00% in Fiscal 2022 to an ultimate trend rate of 4.50%
Asset valuation method	N/A
Mortality rates	IMRF Participants: PubG.H-2010 - General Mortality Table with Mortality Improvement using Scale MP-2020 Fire Participants: PubS.H-2010 - Safety Mortality Table with Mortality Improvement using Scale MP-2020

e. Discount Rate

The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2022.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2022	\$ 1,424,898
Changes for the period	
Service cost	30,326
Interest	31,248
Difference between expected and actual experience	102,509
Changes in assumptions	(331,355)
Benefit payments	(72,206)
Other changes	-
Net changes	(239,478)
BALANCES AT DECEMBER 31, 2022	\$ 1,185,420

In 2022, there were changes in assumptions related to the discount rate, starting per capita costs, health care trend rates and mortality assumptions.

g. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 4.31% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.31%) or 1 percentage point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	\$ 1,351,013	\$ 1,185,420	\$ 1,050,963

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 7% as well as what the District’s total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Healthcare Rate (7%)	1% Increase (8%)
Total OPEB liability	\$ 1,040,317	\$ 1,185,420	\$ 1,364,082

h. OPEB Expense

For the year ended December 31, 2022, the District recognized OPEB expense of \$141,453.

11. CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT

a. Change in Accounting Principle

For the fiscal year ended December 31, 2022, the District implemented GASB Statement No. 87, *Leases*. With the implementation, the District is required to record the beginning net position/fund balance of lease receivable, intangible capital assets, lease liabilities and lease deferred inflows of resources.

The beginning net position/fund balance of the following opinion units have been restated to reflect the new guidance as follows:

Governmental Activities

The District recorded the lease receivable and lease deferred inflows of resources of \$1,290,322.

General Fund

The District recorded the lease receivable and lease deferred inflows of resources of \$1,001,456.

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT
(Continued)

a. Change in Accounting Principle (Continued)

Ambulance Fund

The District recorded the lease receivable and lease deferred inflows of resources of \$288,866.

b. Prior Period Adjustment

A prior period restatement was made to correct presentation of amounts related to the other postemployment benefit plan:

	<u>Governmental Activities</u>
NET POSITION (DEFICIT) - JANUARY 1, 2022 (AS REPORTED)	\$ (32,476,080)
Correction of error	<u>(762,498)</u>
NET POSITION (DEFICIT) - JANUARY 1, 2022 (AS RESTATED)	<u>\$ (33,238,578)</u>

REQUIRED SUPPLEMENTARY INFORMATION

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 2,500,000	\$ 2,140,494
Charges for services	130,000	23,646
Intergovernmental	70,000	227,111
Grants and donations	-	5,000
Rental income	22,000	2,007
Investment income	15,000	3,034
Miscellaneous	685,000	131,014
	<u>3,422,000</u>	<u>2,532,306</u>
Total revenues		
EXPENDITURES		
Current		
Fire prevention		
Personnel	1,851,200	1,813,119
Administrative	230,000	229,045
Station	580,500	64,442
Maintenance	98,500	98,241
Debt Service		
Principal payments	70,000	87,928
Interest and fiscal charges	-	10,745
	<u>2,830,200</u>	<u>2,303,520</u>
Total expenditures		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>591,800</u>	<u>228,786</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(20,000)	(1,650,000)
	<u>(20,000)</u>	<u>(1,650,000)</u>
Total other financing sources (uses)		
NET CHANGE IN FUND BALANCE	<u>\$ 571,800</u>	<u>(1,421,214)</u>
FUND BALANCE, JANUARY 1		<u>1,650,571</u>
FUND BALANCE, DECEMBER 31		<u>\$ 229,357</u>

(See independent auditor's report.)

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMBULANCE FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 2,500,000	\$ 2,120,674
Charges for services	900,000	1,676,616
Intergovernmental	-	253,111
Grants and donations	-	5,000
Rental income	-	578
Investment income	-	49
Miscellaneous	-	98,746
	3,400,000	4,154,774
EXPENDITURES		
Current		
Fire prevention		
Personnel	2,592,500	1,733,313
Administrative	179,000	234,562
Station	105,000	85,789
Maintenance	94,500	99,289
Debt Service		
Principal payments	25,000	87,928
Interest and fiscal charges	-	10,745
	2,996,000	2,251,626
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	404,000	1,903,148
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(20,000)	(1,257,000)
	(20,000)	(1,257,000)
NET CHANGE IN FUND BALANCE	\$ 384,000	646,148
FUND BALANCE, JANUARY 1		1,665,419
FUND BALANCE, DECEMBER 31		\$ 2,311,567

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 6,718	\$ 10,090	\$ 12,309	\$ 10,529	\$ 9,207	\$ 9,484	\$ 7,583	\$ 7,500	\$ 3,654
Contribution in relation to the actuarially determined contribution	6,718	10,090	12,309	10,529	9,207	9,484	7,583	7,500	3,654
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 84,284	\$ 114,797	\$ 141,973	\$ 134,113	\$ 107,121	\$ 111,575	\$ 115,799	\$ 77,781	\$ 80,853
Contributions as a percentage of covered payroll	7.97%	8.79%	8.67%	7.85%	8.59%	8.50%	6.55%	9.64%	4.52%

The information presented was determined as part of the actuarial valuations as of December 31. 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 22 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increase assumption of 3.35% to 14.25% plus 2.50% for inflation compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Eight Calendar Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY								
Service cost	\$ 9,472	\$ 9,047	\$ 11,772	\$ 14,703	\$ 10,613	\$ 11,466	\$ 12,415	\$ 8,182
Interest	5,088	6,449	8,009	11,439	11,952	14,020	16,734	12,914
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,171	3,938	26,733	(8,257)	(307)	11,473	(72,583)	511
Changes of assumptions	1,631	-	-	(6,743)	11,338	-	(7,143)	-
Benefit payments, including refunds of member contributions	-	-	-	(4,508)	-	-	-	-
Net change in total pension liability	18,362	19,434	46,514	6,634	33,596	36,959	(50,577)	21,607
Total pension liability - beginning	63,107	81,469	100,903	147,417	154,051	187,647	224,606	174,029
TOTAL PENSION LIABILITY - ENDING	\$ 81,469	\$ 100,903	\$ 147,417	\$ 154,051	\$ 187,647	\$ 224,606	\$ 174,029	\$ 195,636
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 6,718	\$ 10,090	\$ 12,309	\$ 10,529	\$ 9,202	\$ 9,844	\$ 7,698	\$ 8,136
Contributions - member	3,793	5,166	6,389	6,035	4,820	5,211	3,594	3,500
Net investment income	3,530	370	5,504	14,949	(3,315)	22,011	22,066	30,647
Benefit payments, including refunds of member contributions	-	-	-	(4,508)	-	-	-	-
Other (net transfer)	(375)	(4,630)	(957)	(1,412)	(396)	(1,085)	(30)	(1,539)
Net change in plan fiduciary net position	13,666	10,996	23,245	25,593	10,311	35,981	33,328	40,744
Plan fiduciary net position - beginning	52,619	66,285	77,281	100,526	126,119	136,430	172,411	205,739
PLAN FIDUCIARY NET POSITION - ENDING	\$ 66,285	\$ 77,281	\$ 100,526	\$ 126,119	\$ 136,430	\$ 172,411	\$ 205,739	\$ 246,483
EMPLOYER'S NET PENSION LIABILITY	\$ 15,184	\$ 23,622	\$ 46,891	\$ 27,932	\$ 51,217	\$ 52,195	\$ (31,710)	\$ (50,847)

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	81.36%	76.59%	68.19%	81.87%	72.71%	76.76%	118.22%	125.99%
Covered payroll	\$ 84,284	\$ 114,797	\$ 141,973	\$ 134,113	\$ 107,121	\$ 115,799	\$ 79,857	\$ 77,781
Employer's net pension liability as a percentage of covered payroll	18.02%	20.58%	33.03%	20.83%	47.81%	45.07%	(39.71%)	(65.37%)

In 2014, assumptions were changed related to the discount rate.

In 2017, assumptions were changed related to retirement age and mortality.

In 2018, assumptions were changed related to the discount rate.

In 2020, assumptions were changed related to the investment rate of return, rate of inflation, salary increases and mortality rate

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 1,050,882	\$ 1,142,058	\$ 1,272,135	\$ 1,358,877	\$ 1,438,774	\$ 1,520,222	\$ 1,611,229	\$ 1,923,606	\$ 989,957
Contribution in relation to the actuarially determined contribution	591,714	716,084	979,547	1,012,214	807,464	810,464	774,108	1,923,606	104,523
CONTRIBUTION DEFICIENCY (Excess)	\$ 459,168	\$ 425,974	\$ 292,588	\$ 346,663	\$ 631,310	\$ 709,758	\$ 837,121	\$ -	\$ 885,434
Covered payroll	\$ 1,767,347	\$ 1,939,968	\$ 1,894,036	\$ 1,960,327	\$ 2,119,528	\$ 2,252,267	\$ 2,162,186	\$ 2,068,999	\$ 1,756,127
Contributions as a percentage of covered payroll	33.48%	36.91%	51.72%	51.63%	38.10%	35.98%	35.80%	92.97%	5.95%

The information presented was determined as part of the actuarial valuations as of December 31. 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 20 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 3.25% to 22.55% plus 2.25% for inflation compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY									
Service cost	\$ 1,054,306	\$ 842,112	\$ 820,340	\$ 859,470	\$ 945,403	\$ 904,475	\$ 1,405,206	\$ 1,412,195	\$ 858,812
Interest	1,528,344	1,785,183	1,894,059	1,842,499	1,863,720	1,999,529	1,940,662	1,747,263	2,173,203
Changes of benefit terms	-	-	-	-	-	208,799	-	-	(70,477)
Differences between expected and actual experience	-	(447,153)	(892,883)	71,991	710,511	(705,020)	1,711,136	(2,185,516)	116,911
Changes of assumptions	-	(1,178,180)	(1,423,982)	1,596,338	(2,808,516)	9,676,071	8,043,117	(16,232,555)	758,652
Benefit payments, including refunds of member contributions	(1,320,988)	(1,389,673)	(1,431,715)	(1,525,205)	(1,637,036)	(1,664,605)	(1,811,896)	(1,962,827)	(1,991,523)
Net change in total pension liability	1,261,662	(387,711)	(1,034,181)	2,845,093	(925,918)	10,419,249	11,288,225	(17,221,440)	1,845,578
Total pension liability - beginning	39,549,649	40,811,311	40,423,600	39,389,419	42,234,512	41,308,594	51,727,843	63,016,068	45,794,628
TOTAL PENSION LIABILITY - ENDING	\$ 40,811,311	\$ 40,423,600	\$ 39,389,419	\$ 42,234,512	\$ 41,308,594	\$ 51,727,843	\$ 63,016,068	\$ 45,794,628	\$ 47,640,206
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 591,714	\$ 716,084	\$ 979,547	\$ 1,012,214	\$ 807,464	\$ 810,464	\$ 774,108	\$ 16,173,759	\$ 104,523
Contributions - member	162,911	177,866	188,362	194,154	199,867	212,952	204,435	195,434	201,395
Contributions - other	-	-	17,519	11,065	11,065	4,611	-	-	-
Net investment income	585,351	(8,912)	669,744	1,490,127	(556,779)	1,885,326	1,124,213	2,081,633	(4,084,097)
Benefit payments, including refunds of member contributions	(1,320,988)	(1,389,673)	(1,431,715)	(1,525,205)	(1,637,036)	(1,664,605)	(1,811,896)	(1,962,826)	(1,991,523)
Administrative expense	(47,308)	(45,297)	(37,630)	(32,782)	(34,317)	(66,067)	(76,078)	(35,834)	(37,938)
Net change in plan fiduciary net position	(28,320)	(549,932)	385,827	1,149,573	(1,209,736)	1,182,681	214,782	16,452,166	(5,807,640)
Plan fiduciary net position - beginning	10,631,130	10,602,810	10,052,878	10,438,705	11,588,278	10,378,542	11,561,223	11,776,005	28,228,171
PLAN FIDUCIARY NET POSITION - ENDING	\$ 10,602,810	\$ 10,052,878	\$ 10,438,705	\$ 11,588,278	\$ 10,378,542	\$ 11,561,223	\$ 11,776,005	\$ 28,228,171	\$ 22,420,531
EMPLOYER'S NET PENSION LIABILITY	\$ 30,208,501	\$ 30,370,722	\$ 28,950,714	\$ 30,646,234	\$ 30,930,052	\$ 40,166,620	\$ 51,240,063	\$ 17,566,457	\$ 25,219,675

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	25.98%	24.87%	26.50%	27.44%	25.12%	22.35%	18.69%	61.64%	47.06%
Covered payroll	\$ 1,767,347	\$ 1,939,968	\$ 1,894,036	\$ 1,960,327	\$ 2,119,528	\$ 2,252,267	\$ 2,162,186	\$ 2,068,999	\$ 1,756,127
Employer's net pension liability as a percentage of covered payroll	1,709.26%	1,565.53%	1,528.52%	1,563.32%	1,459.29%	1,783.39%	2,369.83%	849.03%	1,436.10%

Changes in benefits in 2019 relate to an update to plan benefit changes under PA-101-0610. These legislative changes reflect modification to the Tier II plan provisions.

In 2021, there were changes in assumptions related to the discount rate.

In 2022, there were changes in assumptions related to the discount rate. Changes in benefit terms in 2022 relate to Tier II benefit increases.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	5.78%	(0.09%)	6.84%	14.74%	(4.98%)	19.05%	10.12%	10.92%	(15.80%)

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTRETIREMENT BENEFIT PLAN**

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2019	2020	2021	2022
TOTAL OPEB LIABILITY				
Service cost	\$ 24,570	\$ 19,853	\$ 26,201	\$ 30,326
Interest	18,784	16,378	28,604	31,248
Difference between expected and actual experience	-	803,130	-	102,509
Changes in assumptions	14,964	232,460	(65,005)	(331,355)
Benefit payments	(54,343)	(90,350)	(93,951)	(72,206)
Net change in total OPEB liability	3,975	981,471	(104,151)	(239,478)
Total OPEB liability - beginning	543,603	547,578	1,529,049	1,424,898
TOTAL OPEB LIABILITY - ENDING	\$ 547,578	\$ 1,529,049	\$ 1,424,898	\$ 1,185,420
Covered-employee payroll	N/A	\$ 1,969,309	\$ 2,048,150	\$ 2,210,532
Employer's total OPEB liability as a percentage of covered-employee payroll	N/A	77.64%	69.57%	53.63%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There was a change in assumptions related to the discount rate in 2019, 2020 and 2021.

In 2022, there were changes in assumptions related to the discount rate, starting per capita costs, health care trend rates and mortality assumptions.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

BUDGETARY PROCEDURES

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

- a. 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.
- b. Public hearings are conducted by the District to obtain taxpayer comments.
- c. The appropriation is subsequently legally enacted through the passages of the ordinance. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal year (March 31).
- d. 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. The legal level of control is considered to be the fund level. The Capital Projects Fund, Foreign Fire Insurance Fund and Pension Obligations Benefit Fund are not budgeted.
- e. Formal appropriation integration is employed as a management control device during the year. The appropriations are adopted on a basis consistent with GAAP.
- f. Appropriated amounts are as originally adopted.
- g. All unspent budgetary amounts lapse at year-end.

The following funds had expenditures greater than the budget for the year ended December 31, 2022:

Fund	Budget	Expenditures
Emergency Rescue	\$ 50,000	\$ 201,996
IMRF and Social Security	84,000	84,435
Audit	6,002	9,950

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

NONMAJOR GOVERNMENTAL FUNDS

Audit Fund - used to account for the expenditures restricted to the annual audit of the District's records and accounts. Financing is provided by a property tax levy.

Liability Insurance Fund - used to account for the expenditures restricted for liability, property, accident and sickness insurance expenditures. Financing is provided by a property tax levy.

FICA and IMRF Fund - used to account for the expenditures restricted to the employer's portion of the Social Security and Medicare benefits and IMRF benefits. Financing is provided by a property tax levy.

Emergency Rescue Squad Fund- used to account for the expenditures restricted for emergency rescue expenditures. Financing is provided by a property tax levy.

Foreign Fire Insurance Fund - used to account for revenues from the assessment of the foreign fire tax remitted directly to this fund, which maintains a separate bank account. Its own Board of Trustees controls the expenditures from this fund. Those expenditures, however, are to be used for the benefit of the District.

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2022

	<u>Audit</u>	<u>Liabilitiy Insurance</u>	<u>FICA and IMRF</u>
ASSETS			
Cash and investments	\$ (2,118)	\$ 344,034	\$ 1,453
Property taxes receivable	15,041	95,555	121,890
Prepaid expense	-	7,435	-
TOTAL ASSETS	<u>\$ 12,923</u>	<u>\$ 447,024</u>	<u>\$ 123,343</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 108	\$ -
Accrued payroll	-	-	2,206
Due to other funds	507	-	-
Total liabilities	<u>507</u>	<u>108</u>	<u>2,206</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>15,000</u>	<u>93,500</u>	<u>121,200</u>
Total deferred inflows of resources	<u>15,000</u>	<u>93,500</u>	<u>121,200</u>
Total liabilities and deferred inflows of resources	<u>15,507</u>	<u>93,608</u>	<u>123,406</u>
FUND BALANCES			
Nonspendable	-	7,435	-
Restricted			
Insurance	-	345,981	-
Public safety	-	-	-
Unassigned (deficit)	<u>(2,584)</u>	<u>-</u>	<u>(63)</u>
Total fund balances (deficit)	<u>(2,584)</u>	<u>353,416</u>	<u>(63)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,923</u>	<u>\$ 447,024</u>	<u>\$ 123,343</u>

Emergency Rescue Squad	Foreign Fire Insurance	Total Nonmajor Governmental Funds
\$ 59,092	\$ 49,775	\$ 452,236
87,716	-	320,202
-	-	7,435
<u>\$ 146,808</u>	<u>\$ 49,775</u>	<u>\$ 779,873</u>
\$ 382	\$ -	\$ 490
-	-	2,206
<u>132,532</u>	<u>-</u>	<u>133,039</u>
<u>132,914</u>	<u>-</u>	<u>135,735</u>
<u>87,100</u>	<u>-</u>	<u>316,800</u>
<u>87,100</u>	<u>-</u>	<u>316,800</u>
<u>220,014</u>	<u>-</u>	<u>452,535</u>
-	-	7,435
-	-	345,981
-	49,775	49,775
<u>(73,206)</u>	<u>-</u>	<u>(75,853)</u>
<u>(73,206)</u>	<u>49,775</u>	<u>327,338</u>
<u>\$ 146,808</u>	<u>\$ 49,775</u>	<u>\$ 779,873</u>

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>Audit</u>	<u>Liability Insurance</u>	<u>IMRF and Social Security</u>
REVENUES			
Property taxes	\$ 4,514	\$ 206,596	\$ 71,150
Foreign fire insurance	-	-	-
Investment income	-	-	-
Total revenues	<u>4,514</u>	<u>206,596</u>	<u>71,150</u>
EXPENDITURES			
Current			
Fire prevention	<u>9,951</u>	<u>78,516</u>	<u>84,435</u>
Total expenditures	<u>9,951</u>	<u>78,516</u>	<u>84,435</u>
NET CHANGE IN FUND BALANCES	(5,437)	128,080	(13,285)
FUND BALANCES, JANUARY 1	<u>2,853</u>	<u>225,336</u>	<u>13,222</u>
FUND BALANCES (DEFICIT), DECEMBER 31	<u><u>\$ (2,584)</u></u>	<u><u>\$ 353,416</u></u>	<u><u>\$ (63)</u></u>

Emergency Rescue Squad	Foreign Fire Insurance	Total Nonmajor Governmental Funds
\$ 62,164	\$ -	\$ 344,424
-	48,327	48,327
-	6	6
62,164	48,333	392,757
201,997	75,458	450,357
201,997	75,458	450,357
(139,833)	(27,125)	(57,600)
66,627	76,900	384,938
\$ (73,206)	\$ 49,775	\$ 327,338

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND**

For the Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 5,000	\$ 4,514
Total revenues	<u>5,000</u>	<u>4,514</u>
EXPENDITURES		
Current		
Fire prevention		
Audit	<u>6,002</u>	<u>9,951</u>
Total expenditures	<u>6,002</u>	<u>9,951</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,002)</u>	(5,437)
FUND BALANCE, JANUARY 1		<u>2,853</u>
FUND BALANCE (DEFICIT), DECEMBER 31		<u><u>\$ (2,584)</u></u>

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIABILITY INSURANCE FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 250,000	\$ 206,596
Total revenues	250,000	206,596
EXPENDITURES		
Current		
Fire prevention		
Personnel	60,000	-
Liability insurance	170,000	78,516
Total expenditures	230,000	78,516
NET CHANGE IN FUND BALANCE	\$ 20,000	128,080
FUND BALANCE, JANUARY 1		225,336
FUND BALANCE, DECEMBER 31		\$ 353,416

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IMRF AND SOCIAL SECURITY FUND**

For the Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 84,000	\$ 71,150
Total revenues	<u>84,000</u>	<u>71,150</u>
EXPENDITURES		
Current		
Fire prevention		
FICA/Medicare	75,000	80,781
IMRF	<u>9,000</u>	<u>3,654</u>
Total expenditures	<u>84,000</u>	<u>84,435</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	(13,285)
FUND BALANCE, JANUARY 1		<u>13,222</u>
FUND BALANCE, DECEMBER 31		<u><u>\$ (63)</u></u>

(See independent auditor's report.)

**BENSENVILLE FIRE PROTECTION DISTRICT NO. 2
BENSENVILLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY AND RESCUE FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 75,000	\$ 62,164
Total revenues	75,000	62,164
EXPENDITURES		
Current		
Fire prevention		
Equipment and supplies	50,000	201,997
Total expenditures	50,000	201,997
NET CHANGE IN FUND BALANCE	\$ 25,000	(139,833)
FUND BALANCE, JANUARY 1		66,627
FUND BALANCE (DEFICIT), DECEMBER 31		\$ (73,206)

(See independent auditor's report.)