

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

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## ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023

401 Dundee Avenue  
East Dundee, IL 60118  
Phone: 224.293.7121  
Fax: 847.815.2741  
[www.edfire.com](http://www.edfire.com)

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

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## **FINANCIAL SECTION**

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the District's independent auditing firm.



May 13, 2024

Members of the Board of Trustees  
East Dundee and Countryside Fire Protection District  
East Dundee, Illinois

## **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Dundee and Countryside Fire Protection District, Illinois, as of December 31, 2023, 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.

## **Basis for Opinions**

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

## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements - Continued**

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and supplementary pension and other post-employment benefit (OPEB) schedules, as 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Dundee and Countryside Fire Protection District, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis**

**December 31, 2023**

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Our discussion and analysis of the East Dundee and Countryside Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2023. Please read it in conjunction with District's financial statements, which can be found in the basic financial statements section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position decreased \$349,732, resulting in a deficit ending net position of \$1,628,773.
- During the fiscal year, the District generated \$923,562 in program revenues and \$3,326,225 in general revenues. Entity-wide expenses for the year totaled \$4,599,519, resulting in the decrease to net position of \$349,732.
- The General Fund reported an increase for the year of \$5,187, resulting in ending fund balance of \$876,051.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. 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 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.

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.



# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis**

**December 31, 2023**

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### **USING THIS ANNUAL REPORT - Continued**

#### **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 one individual governmental fund, the General Fund, for which the District adopts an annual budget. A budgetary comparison schedule is provided to demonstrate compliance with the budget.

#### **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.

#### **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.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's fire employee pension obligation, the retiree benefits obligation and budgetary comparison schedule for the General Fund.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Management's Discussion and Analysis

December 31, 2023

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows fell short of liabilities/deferred inflows by \$1,628,773 during the year.

	Net Position	
	12/31/2023	12/31/2022
Current Assets	\$ 4,148,294	4,390,810
Capital Assets	4,676,496	5,233,748
Total Assets	8,824,790	9,624,558
Deferred Outflows	1,607,192	2,180,294
Total Assets and Deferred Outflows	10,431,982	11,804,852
Long-Term Liabilities	7,277,031	7,773,685
Other Liabilities	895,843	1,371,402
Total Liabilities	8,172,874	9,145,087
Deferred Inflows	3,887,881	3,938,806
Total Liabilities and Deferred Inflows	12,060,755	13,083,893
Net Position		
Net Investment in Capital Assets	757,812	844,676
Restricted	59,713	50,327
Unrestricted (Deficit)	(2,446,298)	(2,174,044)
Total Net Position	(1,628,773)	(1,279,041)

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Management's Discussion and Analysis

December 31, 2023

### GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	12/31/2023	12/31/2022
Revenues		
Program Revenues		
Charges for Services	\$ 901,556	300,832
Operating Grants/Contributions	22,006	515
General Revenues		
Property Tax	2,848,155	2,238,161
Foreign Fire Tax	28,185	22,654
Replacement Tax	67,008	80,543
Investment Income	7,366	4,765
Miscellaneous	375,511	47,067
Total Revenues	4,249,787	2,694,537
Expenses		
Public Safety	4,496,224	3,494,241
Interest on Long-Term Debt	103,295	105,718
Total Expenses	4,599,519	3,599,959
Change in Net Position	(349,732)	(905,422)
Net Position - Beginning	(1,279,041)	(373,619)
Net Position - Ending	(1,628,773)	(1,279,041)

Net position of the District's governmental activities decreased by \$349,732. Revenues for the current year of \$4,249,787 increased \$1,555,250, or 57.72 percent, due primarily to the District collecting higher charges for services, collecting higher property taxes and receiving more operating grants and contributions in the current fiscal year. Expenses for the current year of \$4,599,519 increased \$999,560, or 27.77 percent. The increase in expenses is due to increases in personnel services.

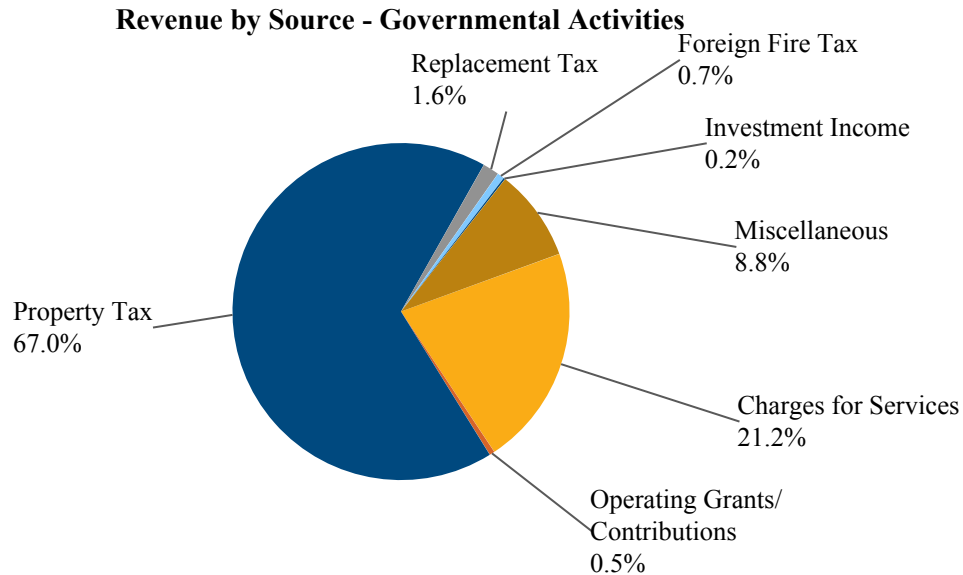
# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Management's Discussion and Analysis

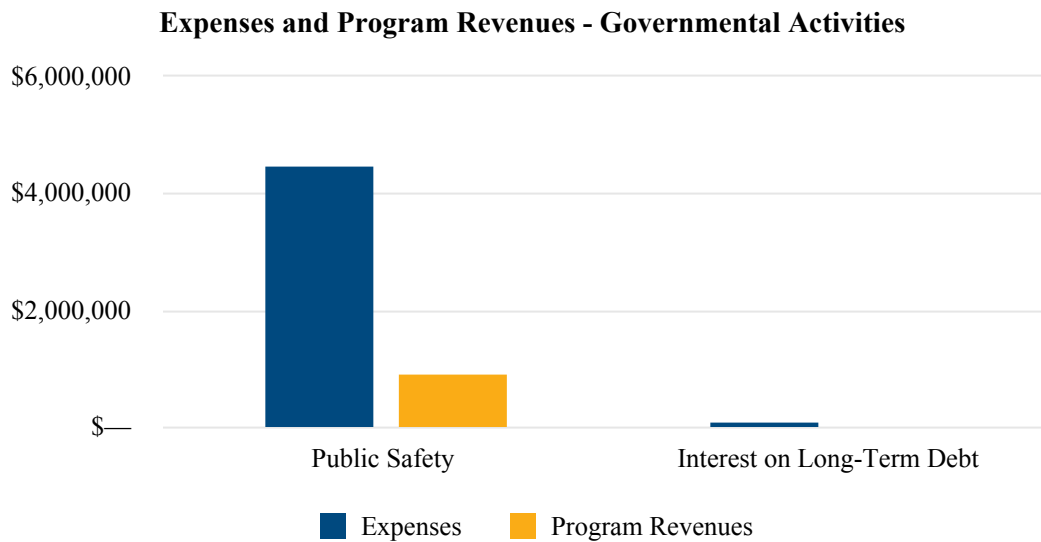
December 31, 2023

### GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

The following chart graphically illustrates the District's significant reliance on property taxes to fund operations.



The following 'Expenses and Program Revenues' Tables further illustrates the District's reliance on general revenues to fund operations. Only a small portion of revenues come from public safety charges for services.



# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis**

**December 31, 2023**

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### **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.

#### **Governmental Fund**

The focus of the District's governmental fund 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.

As of the end of the current fiscal year, the General Fund reported ending fund balance of \$876,051, which is \$5,187 greater than beginning fund balance of \$870,864. This is partially due to the District's increase in charges for services.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The District Board did not make any budget amendments to the General Fund budget once it was approved. Actual revenues of \$3,962,412 were \$194,956 lower than final budgeted revenues of \$4,157,368. This was due to charges for services being lower than budgeted by \$43,444 in addition to intergovernmental coming in higher than budgeted by \$12,014.

Actual expenditures of \$4,449,490 were \$762,930 over the final budgeted expenditures of \$3,686,560. This was due primarily to all the District's functions being over budget for the fiscal year.

#### **DEBT ADMINISTRATION**

The District's long-term debt outstanding at December 31, 2023 totaled \$3,602,954, compared to a beginning balance of \$4,003,825. The District's long-term debt outstanding is as follows:

	Long-Term Debt Outstanding	
	12/31/2023	12/31/2022
Compensated Absences	\$ 57,106	27,091
General Obligation Bonds	2,930,000	3,150,000
Debt Certificates	195,000	245,000
Installment Contracts	420,848	581,734
Total	3,602,954	4,003,825

Additional information on the District's long-term debt can be found in the Note 3 to the financial statements.

## **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

### **Management's Discussion and Analysis**

**December 31, 2023**

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#### **CAPITAL ASSETS**

The District's investment in capital assets for its governmental activities as of December 31, 2023 were \$4,676,496 (net of accumulated depreciation). This investment in capital assets includes construction in progress, buildings and improvements, machinery and equipment, vehicles, and furniture and fixtures.

The total net decrease in the District's investment in capital assets for the current fiscal year was \$557,252 and this amount consists of depreciation expense of \$313,907 and net capital asset disposals of \$243,345.

	Capital Assets - Net of Depreciation	
	12/31/2023	12/31/2022
Buildings and Improvements	\$ 3,956,082	4,066,495
Machinery and Equipment	233,169	259,950
Vehicles	485,080	902,251
Furniture and Fixtures	2,165	5,052
Total	4,676,496	5,233,748

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 elected officials considered many factors when setting the fiscal-year 2024 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 East Dundee and Countryside Fire Protection District'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 Fire Chief, East Dundee and Countryside Fire Protection District, 401 Dundee Avenue, East Dundee, IL 60118.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

  - Governmental Fund

  - Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

**Statement of Net Position**

**December 31, 2023**

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**See Following Page**



# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Statement of Net Position**

**December 31, 2023**

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 643,868
Receivables - Net of Allowances	
Property Taxes	2,846,250
Accounts	649,870
Prepays	8,306
Total Current Assets	<u>4,148,294</u>
Noncurrent Assets	
Capital Assets	
Depreciable	7,312,733
Accumulated Depreciation	<u>(2,636,237)</u>
Total Noncurrent Assets	<u>4,676,496</u>
Total Assets	<u>8,824,790</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - Firefighters' Pension	<u>1,607,192</u>
Total Assets and Deferred Outflows of Resources	<u>10,431,982</u>

The notes to the financial statements are an integral part of this statement.

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## LIABILITIES

Current Liabilities	
Accounts Payable	\$ 370,975
Accrued Payroll	35,068
Tax Anticipation Warrants Payable	19,950
Accrued Interest Payable	51,265
Current Portion of Long-Term Debt	418,585
Total Current Liabilities	<u>895,843</u>
Noncurrent Liabilities	
Compensated Absences Payable	45,685
Net Pension Liability - Firefighters' Pension	3,466,325
Total OPEB Liability - RBP	253,501
General Obligation Bonds - Net	3,048,045
Debt Certificates - Net	159,791
Installment Contracts Payable	303,684
Total Noncurrent Liabilities	<u>7,277,031</u>
Total Liabilities	<u>8,172,874</u>

## DEFERRED INFLOWS OF RESOURCES

Property Taxes	2,846,250
Deferred Items - Firefighters' Pension	1,041,631
Total Deferred Inflows of Resources	<u>3,887,881</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,060,755</u>

## NET POSITION

Net Investment in Capital Assets	757,812
Restricted	
Audit	12,948
Foreign Fire Insurance	46,765
Unrestricted (Deficit)	<u>(2,446,298)</u>
Total Net Position	<u><u>(1,628,773)</u></u>

The notes to the financial statements are an integral part of this statement.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Statement of Activities

For the Fiscal Year Ended December 31, 2023

		Program Revenues		Net
		Charges	Operating	(Expense)
		for	Grants/	Revenue and
	Expenses	Services	Contributions	Changes in
				Net Position
Governmental Activities				
Public Safety	\$ 4,496,224	901,556	22,006	(3,572,662)
Interest on Long-Term Debt	103,295	—	—	(103,295)
Total Governmental Activities	4,599,519	901,556	22,006	(3,675,957)
		General Revenues		
		Taxes		
		Property Tax		2,848,155
		Foreign Fire Insurance Tax		28,185
		Intergovernmental - Unrestricted		
		Replacement Tax		67,008
		Investment Income		7,366
		Miscellaneous		375,511
				3,326,225
		Change in Net Position		(349,732)
		Net Position - Beginning		(1,279,041)
		Net Position - Ending		(1,628,773)

The notes to the financial statements are an integral part of this statement.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Balance Sheet - Governmental Funds

December 31, 2023

	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 643,868
Receivables - Net of Allowance	
Property Taxes	2,846,250
Accounts	649,870
Prepays	<u>8,306</u>
Total Assets	<u><u>4,148,294</u></u>
<b>LIABILITIES</b>	
Accounts Payable	242,870
Accrued Payroll	35,068
Tax Anticipation Warrants Payable	19,950
Due to Other Funds	<u>128,105</u>
Total Liabilities	425,993
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>2,846,250</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>3,272,243</u></u>
<b>FUND BALANCES</b>	
Nonspendable	8,306
Restricted	59,713
Unassigned	<u>808,032</u>
Total Fund Balances	<u><u>876,051</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>4,148,294</u></u>

The notes to the financial statements are an integral part of this statement.

## **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

### **Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities**

**December 31, 2023**

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<b>Total Governmental Fund Balances</b>	\$ 876,051
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	4,676,496
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - Firefighters' Pension	565,561
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(57,106)
Net Pension Liability - Firefighters' Pension	(3,466,325)
Total OPEB Liability - RBP	(253,501)
General Obligation Bonds - Net	(3,288,045)
Debt Certificates - Net	(209,791)
Installment Contracts	(420,848)
Accrued Interest Payable	(51,265)
<b>Net Position of Governmental Activities</b>	<u><u>(1,628,773)</u></u>

The notes to the financial statements are an integral part of this statement.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

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

	<u>General</u>
Revenues	
Taxes	\$ 2,876,340
Intergovernmental	189,014
Charges for Services	801,556
Investment Income	7,366
Miscellaneous	88,136
Total Revenues	<u>3,962,412</u>
Expenditures	
Public Safety	3,300,049
Capital Outlay	367,156
Debt Service	
Principal Retirement	635,776
Interest and Fiscal Charges	146,509
Total Expenditures	<u>4,449,490</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>(487,078)</u>
Other Financing Sources	
Debt Issuance	204,890
Disposal of Capital Assets	287,375
	<u>492,265</u>
Net Change in Fund Balances	5,187
Fund Balance - Beginning	<u>870,864</u>
Fund Balances - Ending	<u><u>876,051</u></u>

The notes to the financial statements are an integral part of this statement.

## EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended December 31, 2023

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 5,187</b>
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Amounts reported for governmental activities in the Statement of Activities  
are different because:

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

Depreciation Expense	(313,907)
Disposals - Cost	(334,482)
Disposals - Accumulated Depreciation	91,137

The net effect of deferred outflows (inflows) of resources related  
to the pensions not reported in the funds.

Change in Deferred Items - Firefighters' Pension	(293,452)
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The issuance of long-term debt provides current financial resources to  
governmental funds, While the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(30,015)
Change in Net Pension Liability - Firefighters' Pension	121,609
Change in Total OPEB Liability - RBP	(69,909)
Issuance of Debt	(204,890)
Retirement of Debt	635,776
Amortization of Bond Premium	39,502

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

3,712
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<b>Changes in Net Position of Governmental Activities</b>	<b>(349,732)</b>
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**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

**Statement of Fiduciary Net Position**

**December 31, 2023**

	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 122,392
Investments	
Illinois Firefighters' Pension Investment Fund	3,563,291
Accrued Interest Receivable	29,277
Due from Municipality	128,105
Prepays	<u>841</u>
Total Assets	3,843,906
<b>LIABILITIES</b>	
Accounts Payable	<u>2,060</u>
<b>NET POSITION</b>	
Net Position Restricted for Pension	<u><u>3,841,846</u></u>

The notes to the financial statements are an integral part of this statement.



# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2023

	Pension Trust
Additions	
Contributions - Employer	\$ 352,059
Contributions - Plan Members	105,009
Total Contributions	457,068
Investment Income	
Interest Earned	29,699
Net Change in Fair Value	400,352
	430,051
Less Investment Expenses	(6,415)
Net Investment Income	423,636
Total Additions	880,704
Deductions	
Administration	21,590
Benefits and Refunds	235,104
Total Deductions	256,694
Change in Fiduciary Net Position	624,010
Net Position Restricted for Pensions	
Beginning	3,217,836
Ending	3,841,846

The notes to the financial statements are an integral part of this statement.

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The government-wide financial statements of the East Dundee and Countryside Fire Protection District (the District), Illinois are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

#### **REPORTING ENTITY**

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there is one fiduciary component unit that is required to be included in the financial statements of the District as a pension trust fund and there are no discretely component units to include in the reporting entity.

#### **Blended Component Unit**

Firefighters' Pension Employees Retirement System

The District's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the District's President, one elected pension beneficiary and two elected Firefighters constitute the pension board. 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. Although it is legally separate from the District, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the District's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

#### **BASIS OF PRESENTATION**

##### **Government-Wide Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type. The District's public safety services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets, restricted and unrestricted.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **BASIS OF PRESENTATION - Continued**

##### **Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures. Funds are organized into two major categories: governmental and fiduciary.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

##### **Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District maintains one governmental fund, as follows:

*General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

##### **Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to full-accrual basis.

*Pension trust funds* are used to account for assets held in a trustee capacity for pension benefit payments. The Firefighters' Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the annual property tax levy and investment income.

Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued**

##### **Measurement Focus - Continued**

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position.

##### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.”

Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

##### **Use of Estimates**

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

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued**

##### **Cash and Investments**

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent.

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

##### **Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and grants.

##### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

##### **Prepays**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

##### **Compensated Absences**

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued**

##### **Capital Assets**

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	10 - 45 Years
Machinery and Equipment	5 - 20 Years
Vehicles	3 - 10 Years
Furniture and Fixtures	5 - 20 Years

##### **Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

##### **Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize debt 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 debt service expenditures.

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued**

##### **Net Position**

In the government-wide financial statements, equity is classified as net position and displayed as follows:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

### **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles. For each fund, total expenditures may not legally exceed the budgeted amounts. The Board of Trustees follows these procedures in establishing budgetary data reflected in the financial statements:

1. Within or before the first quarter of each fiscal year, the Board of Trustees adopts an annual budget and appropriation ordinance.
2. The budget document is available for public inspection for at least thirty days prior to the Board of Trustees public hearing and the passage of the annual budget and appropriation ordinance.
3. Subsequent to the enactment of the annual budget and appropriation ordinance, the Board of Trustees has the authority to make any necessary line-item adjustments to the budget. By ordinance, the unexpended balance of any items may be expended in making up any deficiency.

Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at fiscal year-end. During the year there were no budget amendments.

#### **EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN AN INDIVIDUAL FUND**

The following fund had an excess of actual expenditures over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
General	\$ 762,930

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

#### District

*Deposits.* At year-end, the carrying amount of the District's deposits for totaled \$643,868 and the bank balances totaled \$334,556.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy states that the portfolio shall be sufficiently liquid to meet operating cost, which can be reasonably anticipated. Furthermore, the investment policy states the District will commit no less than 80% of the funds in commingled investment pool or other discretionary finds to maturities of not more than three (3) years from date of purchase. No more than 20% of the funds may be invested in maturities of up to five (5) years. Investment of non-discretionary assets, including funds to be held in trust, may be committed to maturities up to ten (10) years from the date of purchase.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the District's investment policy does not address further limiting its investment choices. At year-end, the District does not have any investments.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that all deposits in excess of 10% of the capital and surplus of a financial institution will be collateralized. When collateral is required, 105% of the deposit will be required. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:

- U.S. Government Securities
- Obligations of Federal Instrumentalities
- Obligations of East Dundee and Countryside Fire Protection District
- Obligations of Federal Agencies
- Obligations of the State of Illinois
- Acceptable collateral as identified in the Illinois Complied Statutes

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not mitigate custodial credit risk for investments.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address the District's exposure to concentration of credit risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).



# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### Firefighters' Pension 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. Investments of the Fund 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 comprehensive financial report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org).

*Deposits.* The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$122,392 and the bank balances totaled \$122,392.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default. Pension Fund assets may be invested in savings accounts or certificates of deposit of a national or state bank, even if fund assets on deposit in such institution will exceed federal deposit insurance or guarantee limits for invested principal and accrued interest, but only if the amount by which the fund's investment exceeds such insurance or guarantee limits is collateralized by the bank which shall be maintained and credited to the fund on the records of the custodial bank. The Pension Fund shall have a perfected security interest in such securities which shall be free of any claims to the rights to these securities other than any claims by the custodian which are subordinate to the Pension Fund's claims to rights to these securities. Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:

1. A Federal Reserve Bank or branch office
2. At another custodial facility – generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third-party depository in a suitable vault and insured against loss by fire, theft and similar causes.

*Investments.* At year-end the Fund has \$3,563,291 invested in IFPIF. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://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 year-end. 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.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### Firefighters' Pension Fund - Continued

*Rate of Return.* For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### 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 subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, in June and September. 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.

#### INTERFUND BALANCES

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Firefighters' Pension	General	<u>\$ 128,105</u>

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS****Notes to the Financial Statements****December 31, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS****Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Buildings and Improvements	\$ 4,968,567	—	—	4,968,567
Machinery and Equipment	446,712	—	—	446,712
Vehicles	2,203,066	—	334,482	1,868,584
Furniture and Fixtures	28,870	—	—	28,870
	<u>7,647,215</u>	<u>—</u>	<u>334,482</u>	<u>7,312,733</u>
Less Accumulated Depreciation				
Buildings and Improvements	902,072	110,413	—	1,012,485
Machinery and Equipment	186,762	26,781	—	213,543
Vehicles	1,300,815	173,826	91,137	1,383,504
Furniture and Fixtures	23,818	2,887	—	26,705
	<u>2,413,467</u>	<u>313,907</u>	<u>91,137</u>	<u>2,636,237</u>
Total Net Depreciable Capital Assets	<u>5,233,748</u>	<u>(313,907)</u>	<u>243,345</u>	<u>4,676,496</u>
Total Net Capital Assets	<u>5,233,748</u>	<u>(313,907)</u>	<u>243,345</u>	<u>4,676,496</u>

Depreciation expense of \$313,907 has been charged to the public safety function.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### SHORT-TERM DEBT

##### Tax Anticipation Warrants Payable

The District issues tax anticipation warrants payable to provide funds for the acquisition, construction and maintenance of major capital facilities. Tax anticipation warrants payable are direct obligations and pledge the full faith and credit of the District. The schedule below details the changes in short-term debt for the fiscal year ended December 31, 2023:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$472,416 Tax Anticipation Warrants Payable dated November 15, 2022, due in one installment of \$472,416 including interest of 4.625%.	\$ 472,416	—	472,416	—

#### LONG-TERM DEBT

##### General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,150,000 General Obligation Fire Protection Refunding Bonds of 2021A dated October 20, 2021, due in annual installments of \$220,000 to \$360,000 plus interest of 3.00% to 4.00% through January 15, 2033.	\$ 3,150,000	—	220,000	2,930,000

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS****Notes to the Financial Statements****December 31, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Debt Certificates**

The District issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates are direct obligations and pledge the full faith and credit of the District. Debt certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$245,000 Refunding Debt Certificates of 2021B dated October 20, 2021, due in annual installments of \$40,000 to \$55,000 plus interest of 3.00% to 4.00% through January 15, 2027.	\$ 245,000	—	50,000	195,000

**Installment Contracts**

The District also issues installment contracts to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$274,302 Installment Contract of 2021 dated August 19, 2021, due in annual installments of \$32,674 including interest of 3.287% through August 19, 2031.	\$ 250,718	—	250,718	—
\$160,932 Installment Contract of 2021A dated May 4, 2021, due in annual installments of \$22,110 to \$29,266 including interest of 2.73% through May 31, 2027.	114,952	—	22,351	92,601
\$160,932 Installment Contract of 2022 dated May 15, 2021, due in annual installments of \$57,976 including interest of 2.89% through May 15, 2026.	216,064	—	51,729	164,335
\$204,890 Installment Contract of 2023 dated June 2, 2022, due in annual installments of \$40,978 through June 2, 2027.	—	204,890	40,978	163,912
	581,734	204,890	365,776	420,848

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### Long-Term Liabilities Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 27,091	60,030	30,015	57,106	11,421
Net Pension Liability - Firefighters' Pension	3,587,934	—	121,609	3,466,325	—
Total OPEB Liability - RBP	183,592	69,909	—	253,501	—
General Obligation Bonds	3,150,000	—	220,000	2,930,000	240,000
Plus: Unamortized Premium	393,849	—	35,804	358,045	—
Debt Certificates	245,000	—	50,000	195,000	50,000
Plus: Unamortized Premium	18,489	—	3,698	14,791	—
Installment Contracts	581,734	204,890	365,776	420,848	117,164
	<u>8,187,689</u>	<u>334,829</u>	<u>826,902</u>	<u>7,695,616</u>	<u>418,585</u>

The compensated absences, the net pension liability, the total OPEB liability, the general obligation bonds, the debt certificates, and the installment contracts are liquidated by the General Fund.

##### Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds		Debt Certificates		Installment Contracts	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 240,000	100,950	50,000	33,250	117,164	7,363
2025	240,000	92,550	50,000	17,800	119,329	5,198
2026	255,000	82,650	55,000	10,400	121,647	2,971
2027	265,000	72,250	40,000	800	62,708	380
2028	285,000	61,250	—	—	—	—
2029	305,000	49,450	—	—	—	—
2030	315,000	37,050	—	—	—	—
2031	320,000	25,950	—	—	—	—
2032	345,000	15,975	—	—	—	—
2033	360,000	5,400	—	—	—	—
Totals	<u>2,930,000</u>	<u>543,475</u>	<u>195,000</u>	<u>62,250</u>	<u>420,848</u>	<u>15,912</u>

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### Legal Debt Margin

Chapter 70, Section 705/12-32 of the Illinois Compiled Statutes provides, "Any fire protection district incorporated under this Act may borrow money for corporate purposes and may issue bonds therefor, but shall not become indebted in any manner, or for any purpose, to an amount in the aggregate to exceed 5.75% on the valuation of taxable property therein to be ascertained by the last assessment for State and County taxes previous to the incurring of such indebtedness or until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2022	<u>\$ 294,002,692</u>
Legal Debt Limit - 5.75% of Assessed Value	16,905,155
Amount of Debt Applicable to Limit	
General Obligation Fire Protection Bonds of 2021A	2,930,000
Refunding Debt Certificates of 2021B	<u>195,000</u>
Legal Debt Margin	<u>13,780,155</u>

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,676,496
Less Capital Related Debt:	
General Obligation Fire Protection Bonds of 2021A	(2,930,000)
Refunding Debt Certificates of 2021B	(195,000)
Installment Contracts	(420,848)
Unamortized Bond Premium	<u>(372,836)</u>
Net Investment in Capital Assets	<u>757,812</u>

#### FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### FUND BALANCE CLASSIFICATIONS - Continued

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

*Minimum Fund Balance Policy.* The District shall strive to maintain a yearly fund balance in the general operating fund in which the total fund balance is 40 percent of the total operating expenditures and the unassigned fund balance is 19 percent of the total operating expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	<u>General</u>
Fund Balances	
Nonspendable	
Prepays	<u>\$     8,306</u>
Restricted	
Foreign Fire Insurance	12,948
Audit	46,765
	<u>59,713</u>
Unassigned	<u>808,032</u>
Total Fund Balances	<u><u>876,051</u></u>



## **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

### **Notes to the Financial Statements**

**December 31, 2023**

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#### **NOTE 4 - OTHER INFORMATION**

##### **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; natural disasters; and injuries to the District's employees. These risks are provided for through insurance from private insurance companies. The District currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

##### **CONTINGENT LIABILITIES**

###### **Litigation**

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Districts financial position or results of operations.

###### **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

##### **EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN**

The District contributes to one defined benefit pension plans, the Firefighters' Pension Plan that is a single-employer pension plan. The benefit, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

###### **Plan Descriptions**

*Plan Administration.* The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum 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 Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the District President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

##### Plan Descriptions - Continued

*Plan Membership.* At December 31, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	7
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	<u>13</u>
Total	<u><u>25</u></u>

*Benefits Provided.* The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

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

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> 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 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the District to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2023, the District's contribution was 35.32% of covered payroll.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

##### Plan Descriptions - Continued

*Concentrations.* At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

##### Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.50%
Salary Increases	4.00% - 7.25%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on Pub-2010 adjusted for plan status, demographics and Illinois Public Pension Data.

##### Discount Rate

The discount rate used to measure the total pension liability was 5.69%, while the prior valuation used 5.73%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.50%, the municipal bond rate is 3.26%, and the resulting single discount rate is 5.69%.

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS****Notes to the Financial Statements****December 31, 2023****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT 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 as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.69%)	Current Discount Rate (5.69%)	1% Increase (6.69%)
Net Pension Liability	\$ 4,787,637	3,466,325	2,419,896

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 6,805,770	3,217,836	3,587,934
Changes for the Year:			
Service Cost	316,141	—	316,141
Interest on the Total Pension Liability	385,063	—	385,063
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	7,325	—	7,325
Changes of Assumptions	28,976	—	28,976
Contributions - Employer	—	352,059	(352,059)
Contributions - Employees	—	105,009	(105,009)
Net Investment Income	—	423,636	(423,636)
Benefit Payments, Including Refunds of Employee Contributions	(235,104)	(235,104)	—
Other (Net Transfer)	—	(21,590)	21,590
Net Changes	502,401	624,010	(121,609)
Balances at December 31, 2023	7,308,171	3,841,846	3,466,325

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Firefighters' Pension Plan - Continued

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

For the year ended December 31, 2023, the District recognized pension expense of \$523,902. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 768,710	(610,020)	158,690
Change in Assumptions	605,607	(431,611)	173,996
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	232,875	—	232,875
Total Deferred Amounts Related to Firefighters' Pension	1,607,192	(1,041,631)	565,561

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ 143,407
2025	191,528
2026	176,371
2027	(135,224)
2028	50,929
Thereafter	138,550
Total	565,561

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2023

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### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

*Plan Description.* The District's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* RBP provides healthcare, dental, vision, and life insurance benefits for retirees and their dependents. Retirees are responsible for the full cost of coverage, until Medicare eligibility is reached.

*Plan Membership.* As of December 31, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>15</u>
Total	<u><u>15</u></u>

##### Total OPEB Liability

The District's total OPEB liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.25%
Discount Rate	3.26%
Healthcare Cost Trend Rates	7.40% for 2023, decreasing to an ultimate rate of 5.00% for 2032 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate.

Mortality rates were based on the sex distinct raw rates as developed in the PubS-2010(A) study improved to 2017 using MP-2019 improvement rates. These rates are improved generationally using MP-2019 improvement rates.

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 4 - OTHER INFORMATION - Continued**

#### **OTHER POST-EMPLOYMENT BENEFITS - Continued**

##### **Change in the Total OPEB Liability**

	Total OPEB Liability
Balances at December 31, 2022	<u>\$ 183,592</u>
Changes for the Year:	
Service Cost	47,805
Interest on the Total OPEB Liability	6,830
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	15,274
Changes of Assumptions or Other Inputs	—
Benefit Payments	—
Other Changes	—
Net Changes	<u>69,909</u>
Balances at December 31, 2023	<u>253,501</u>

##### **Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The discount rate used to measure the total pension liability was 3.26%, while the prior valuation used 3.72%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	\$ 289,551	253,501	221,291

# **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 4 - OTHER INFORMATION - Continued**

#### **OTHER POST-EMPLOYMENT BENEFITS - Continued**

##### **Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

		Healthcare Cost Trend	
	1% Decrease (Varies)	Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 200,582	253,501	320,511

##### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2023, the District recognized OPEB expense of \$69,909. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

##### **SUBSEQUENT EVENT**

On January 2, 2024 the District issued 2023 Taxable Bond and Interest Purpose Tax Anticipation Warrants totaling \$400,000.



## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions  
Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
Firefighters' Pension Fund
- Schedule of Investment Returns  
Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability  
Retiree Benefits Plan
- Budgetary Comparison Schedules  
General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Firefighters' Pension Fund Schedule of Employer Contributions December 31, 2023

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 159,644	\$ 163,320	\$ 3,676	\$ 535,561	30.50%
2015	159,644	218,760	59,116	262,718	83.27%
2016	146,295	223,583	77,288	289,411	77.25%
2017	235,119	238,900	3,781	298,817	79.95%
2018	250,051	250,078	27	498,459	50.17%
2019	254,653	255,384	731	502,753	50.80%
2020	252,755	266,237	13,482	674,067	39.50%
2021	306,333	269,562	(36,771)	745,063	36.18%
2022	356,217	275,612	(80,605)	965,359	28.55%
2023	323,498	352,059	28,561	996,733	35.32%

### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	15 Years
Asset Valuation Method	Fair Value
Inflation	2.25%
Salary Increases	4.00% - 7.25%
Investment Rate of Return	6.00%
Retirement Age	See Notes to the Financial Statements
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Firefighter's Pension Fund

### Schedule of Changes in the Employer's Net Pension Liability

December 31, 2023

	12/31/2014	12/31/2015	12/31/2016
Total Pension Liability			
Service Cost	\$ 180,065	158,289	105,683
Interest	182,824	200,764	227,610
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(137,473)	586,917	(167,594)
Change of Assumptions	192,372	285,334	807,770
Benefit Payments, Including Refunds of Member Contributions	(110,255)	(173,321)	(189,921)
Net Change in Total Pension Liability	307,533	1,057,983	783,548
Total Pension Liability - Beginning	2,867,807	3,175,340	4,233,323
Total Pension Liability - Ending	3,175,340	4,233,323	5,016,871
Plan Fiduciary Net Position			
Contributions - Employer	\$ 163,320	218,760	223,583
Contributions - Members	47,426	36,541	33,475
Net Investment Income	64,802	17,220	48,192
Benefit Payments, Including Refunds of Member Contributions	(110,255)	(173,321)	(189,921)
Administrative Expenses	(14,252)	(25,062)	(16,368)
Net Change in Plan Fiduciary Net Position	151,041	74,138	98,961
Plan Net Position - Beginning	2,010,928	2,161,969	2,236,107
Plan Net Position - Ending	2,161,969	2,236,107	2,335,068
Employer's Net Pension Liability	\$ 1,013,371	1,997,216	2,681,803
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.09%	52.82%	46.54%
Covered Payroll	\$ 535,561	262,718	289,411
Employer's Net Pension Liability as a Percentage of Covered Payroll	189.22%	760.21%	926.64%

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
111,496	124,407	160,356	154,379	195,779	193,638	316,141
270,024	284,788	278,885	329,617	339,551	366,046	385,063
—	—	23,417	—	—	(22,130)	—
103,224	(296,924)	(1,105,149)	1,639,925	(93,407)	113,238	7,325
—	—	(128,179)	(237,384)	(446,457)	767,903	28,976
(214,695)	(217,925)	(221,276)	(224,698)	(228,084)	(231,466)	(235,104)
270,049	(105,654)	(991,946)	1,661,839	(232,618)	1,187,229	502,401
5,016,871	5,286,920	5,181,266	4,189,320	5,851,159	5,618,541	6,805,770
5,286,920	5,181,266	4,189,320	5,851,159	5,618,541	6,805,770	7,308,171
238,900	250,078	255,384	266,237	269,562	275,612	352,059
33,253	47,130	83,498	63,733	70,446	91,235	105,009
93,229	(68)	249,992	327,212	211,758	(485,235)	423,636
(214,695)	(217,925)	(221,276)	(224,698)	(228,084)	(231,466)	(235,104)
(21,148)	(12,961)	(19,680)	(25,556)	(16,637)	(25,062)	(21,590)
129,539	66,254	347,918	406,928	307,045	(374,916)	624,010
2,335,068	2,464,607	2,530,861	2,878,779	3,285,707	3,592,752	3,217,836
2,464,607	2,530,861	2,878,779	3,285,707	3,592,752	3,217,836	3,841,846
2,822,313	2,650,405	1,310,541	2,565,452	2,025,789	3,587,934	3,466,325
46.62%	48.85%	68.72%	56.15%	63.94%	47.28%	52.57%
298,817	498,459	502,753	674,067	745,063	965,359	996,733
944.50%	531.72%	260.67%	380.59%	271.89%	371.67%	347.77%

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

**Firefighters' Pension Fund**  
**Schedule of Investment Returns**  
**December 31, 2023**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	3.75%
2015	1.11%
2016	2.34%
2017	4.17%
2018	(0.03%)
2019	11.08%
2020	12.33%
2021	6.90%
2022	(15.34%)
2023	15.35%

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

**Retiree Benefit Plan**

**Schedule of Changes in the Employer's Total OPEB Liability**

**December 31, 2023**

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**See Following Page**

# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## Retiree Benefit Plan

### Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2023

	<u>12/31/2018</u>
Total OPEB Liability	
Service Cost	\$ 11,777
Interest	4,257
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	(14,593)
Benefit Payments	(14,174)
Other Changes	—
Net Change in Total OPEB Liability	<u>(12,733)</u>
Total OPEB Liability - Beginning	<u>130,736</u>
 Total OPEB Liability - Ending	 <u><u>118,003</u></u>
 Covered-Employee Payroll	 \$ 498,459
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	  23.67%

#### Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

*Changes of Assumptions.* Changes of assumptions related to the discount rate were made in 2018 through 2023.

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

12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
10,957	11,372	21,331	21,875	47,805
4,527	4,289	5,321	5,814	6,830
—	33,312	—	(88,074)	15,274
38,140	45,492	4,558	(38,245)	—
(15,080)	—	—	—	—
—	—	—	—	—
38,544	94,465	31,210	(98,630)	69,909
118,003	156,547	251,012	282,222	183,592
156,547	251,012	282,222	183,592	253,501
502,753	674,067	695,974	965,359	996,733
31.14%	37.24%	40.55%	19.02%	25.43%



# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 2,302,068	2,302,068	2,848,155
Foreign Fire Insurance Tax	20,000	20,000	28,185
Intergovernmental			
Grants	7,000	7,000	22,006
Replacement Taxes	70,000	70,000	67,008
Village of East Dundee	100,000	100,000	100,000
Charges for Services			
Ambulance Fees	775,000	775,000	711,573
Service Fees	70,000	70,000	89,983
Investment Income	—	—	7,366
Miscellaneous	813,300	813,300	88,136
Total Revenues	4,157,368	4,157,368	3,962,412
Expenditures			
Public Safety	3,085,060	3,085,060	3,300,049
Capital Outlay	58,000	58,000	367,156
Debt Service			
Principal Retirement	543,500	543,500	635,776
Interest and Fiscal Charges	—	—	146,509
Total Expenditures	3,686,560	3,686,560	4,449,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	470,808	470,808	(487,078)
Other Financing Sources (Uses)			
Debt Issuance	—	—	204,890
Disposal of Capital Assets	—	—	287,375
Transfers Out	(800,000)	(800,000)	—
	(800,000)	(800,000)	492,265
Net Change in Fund Balance	(329,192)	(329,192)	5,187
Fund Balance - Beginning			870,864
Fund Balance - Ending			876,051

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedule - General Fund
- Budgetary Comparison Schedules - Pension Trust Fund

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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### **PENSION TRUST FUND**

#### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees of the District at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the District at amounts determined by an annual actuarial study.

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# EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
Public Safety			
Personnel			
Full-Time Employees	\$ 1,611,630	1,611,630	1,569,013
Overtime	148,622	148,622	169,733
Fire Prevention	2,000	2,000	18,631
Trustee Compensation	9,000	9,000	—
Payroll Taxes	—	—	54,901
Health Benefits	240,000	240,000	290,724
IMRF	15,600	15,600	13,843
Wellness	6,000	6,000	6,224
Pension Contribution	353,300	353,300	344,637
	<u>2,386,152</u>	<u>2,386,152</u>	<u>2,467,706</u>
Contractual Services			
Building Maintenance	16,400	16,400	58,621
Vehicle Maintenance	42,250	42,250	89,209
Equipment Maintenance	10,650	10,650	7,766
Grounds Maintenance	5,000	5,000	5,000
Insurance	145,000	145,000	131,810
	<u>219,300</u>	<u>219,300</u>	<u>292,406</u>
Professional Services			
Bank Service Charges	1,000	1,000	2,054
Accounting Services	39,000	39,000	44,225
Dispatch Fee	98,640	98,640	101,961
Legal Services	10,000	10,000	16,455
Membership Dues	8,116	8,116	12,295
Training	25,500	25,500	32,053
Other Professional Services	53,150	53,150	50,658
Medical Billing	24,000	24,000	22,867
Public Education	1,500	1,500	3,055
	<u>260,906</u>	<u>260,906</u>	<u>285,623</u>
Utilities			
Electric	12,000	12,000	12,968
Gas	9,000	9,000	7,811
Telephone	10,600	10,600	13,672
Water	2,000	2,000	2,177
	<u>33,600</u>	<u>33,600</u>	<u>36,628</u>

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS****General Fund****Schedule of Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual
Public Safety			
Commodities			
Fuel	\$ 30,000	30,000	29,327
Firefighter Equipment	42,050	42,050	50,093
Medical Equipment	17,960	17,960	16,833
Office Supplies	5,392	5,392	11,771
Software	46,300	46,300	59,319
Uniforms	18,400	18,400	21,805
Other Commodities	5,000	5,000	7,899
Foreign Fire Insurance	20,000	20,000	20,639
	185,102	185,102	217,686
Total Public Safety	3,085,060	3,085,060	3,300,049
Capital Outlay	58,000	58,000	367,156
Debt Service			
Principal Retirement	543,500	543,500	635,776
Interest and Fiscal Charges	—	—	146,509
	543,500	543,500	782,285
Total Expenditures	3,686,560	3,686,560	4,449,490

**EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS****Firefighters' Pension - Pension Trust Fund****Schedule of Changes in the Fiduciary Net Position - Budget and Actual****For the Fiscal Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ 329,122	329,122	352,059
Contributions - Plan Members	—	—	105,009
Total Contributions	329,122	329,122	457,068
Investment Income			
Interest Earned	—	—	29,699
Net Change in Fair Value	—	—	400,352
	—	—	430,051
Less Investment Expenses	—	—	(6,415)
Net Investment Income	—	—	423,636
Total Additions	329,122	329,122	880,704
Deductions			
Administration	—	—	21,590
Benefits and Refunds	—	—	235,104
Total Deductions	—	—	256,694
Change in Fiduciary Net Position	329,122	329,122	624,010
Net Position Restricted for Pensions			
Beginning			3,217,836
Ending			3,841,846

## **SUPPLEMENTAL SCHEDULES**

## **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

### **Long-Term Debt Requirements**

#### **General Obligation Fire Protection Bonds of 2021A**

**December 31, 2023**

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Date of Issue	October 20, 2021
Date of Maturity	January 15, 2033
Authorized Issue	\$3,150,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	January 15th and July 15th
Principal Maturity Date	January 15th
Payable at	UMB Bank

### **CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2024	\$ 240,000	100,950	340,950
2025	240,000	92,550	332,550
2026	255,000	82,650	337,650
2027	265,000	72,250	337,250
2028	285,000	61,250	346,250
2029	305,000	49,450	354,450
2030	315,000	37,050	352,050
2031	320,000	25,950	345,950
2032	345,000	15,975	360,975
2033	360,000	5,400	365,400
	<u>2,930,000</u>	<u>543,475</u>	<u>3,473,475</u>



## **EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS**

### **Long-Term Debt Requirements**

#### **Refunding Debt Certificates of 2021B**

**December 31, 2023**

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Date of Issue	October 20, 2021
Date of Maturity	January 15, 2027
Authorized Issue	\$245,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	January 15th and July 15th
Principal Maturity Date	January 15th
Payable at	UMB Bank

### **CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2024	\$ 50,000	33,250	83,250
2025	50,000	17,800	67,800
2026	55,000	10,400	65,400
2027	40,000	800	40,800
	195,000	62,250	257,250

## EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2021A

December 31, 2023

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Date of Issue	May 4, 2021
Date of Maturity	May 31, 2027
Authorized Issue	\$160,932
Interest Rates	2.73%
Interest Dates	May 1st
Principal Maturity Date	May 1st
Payable at	QuadCom 9-1-1

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 22,961	2,612	25,573
2025	23,588	1,985	25,573
2026	24,322	1,342	25,664
2027	21,730	380	22,110
	92,601	6,319	98,920

## EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2022

December 31, 2023

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Date of Issue	May 18, 2021
Date of Maturity	May 15, 2026
Authorized Issue	\$266,339
Interest Rates	2.89%
Interest Dates	May 15th
Principal Maturity Date	May 15th
Payable at	Leasing 2, Inc., Tampa, Florida

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 53,225	4,751	57,976
2025	54,763	3,213	57,976
2026	56,347	1,629	57,976
	164,335	9,593	173,928

## EAST DUNDEE AND COUNTRYSIDE FIRE PROTECTION DISTRICT, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2023

December 31, 2023

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Date of Issue	June 2, 2022
Date of Maturity	June 2, 2027
Authorized Issue	\$204,890
Payable at	Flex Financial, a division of Stryker Sales, LLC

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 40,978	—	40,978
2025	40,978	—	40,978
2026	40,978	—	40,978
2027	40,978	—	40,978
	163,912	—	163,912