

**Winfield Fire Protection District  
Winfield, Illinois**

Annual Financial Report

For the Year Ended  
April 30, 2016

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**Winfield Fire Protection District**  
**Winfield, Illinois**  
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**MIRIANI  
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ASSOCIATES, LTD.**

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Accounting  
Specialist  
&  
Financial  
Management  
Consultants

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**INDEPENDENT AUDITORS REPORT**

The Honorable President  
and Members of the Board of Trustees  
Winfield Fire Protection District  
Winfield, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winfield Fire Protection District, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, based on our audit, 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 Winfield Fire Protection District, Winfield, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Change in Accounting Principle

As discussed in Note 18 to the financial statements, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-10) and budgetary comparison information (beginning on page 41) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended April 30, 2015, which are not presented with the accompanying financial statements. In our report dated October 17, 2015, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2015 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

*Miriani & Associates, LTD.*

MIRIANI & ASSOCIATES, LTD.  
September 28, 2016

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

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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As management of the Winfield Fire Protection District ("the District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2016. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with the District's Financial Statements (beginning on page 11).

Historically, the primary focus of local government financial statements has been summarized by fund types on a current financial resource basis. Due to the requirement of Government Accounting Standards Board Statement No. 34, beginning in 2003 this approach was modified so that now the District's financial statements present two kinds of statements, each with a different snapshot of the District's finances. The focus of the new financial statements are on both the District as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the District's accountability.

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

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements beginning on page 11.

**Financial Highlights**

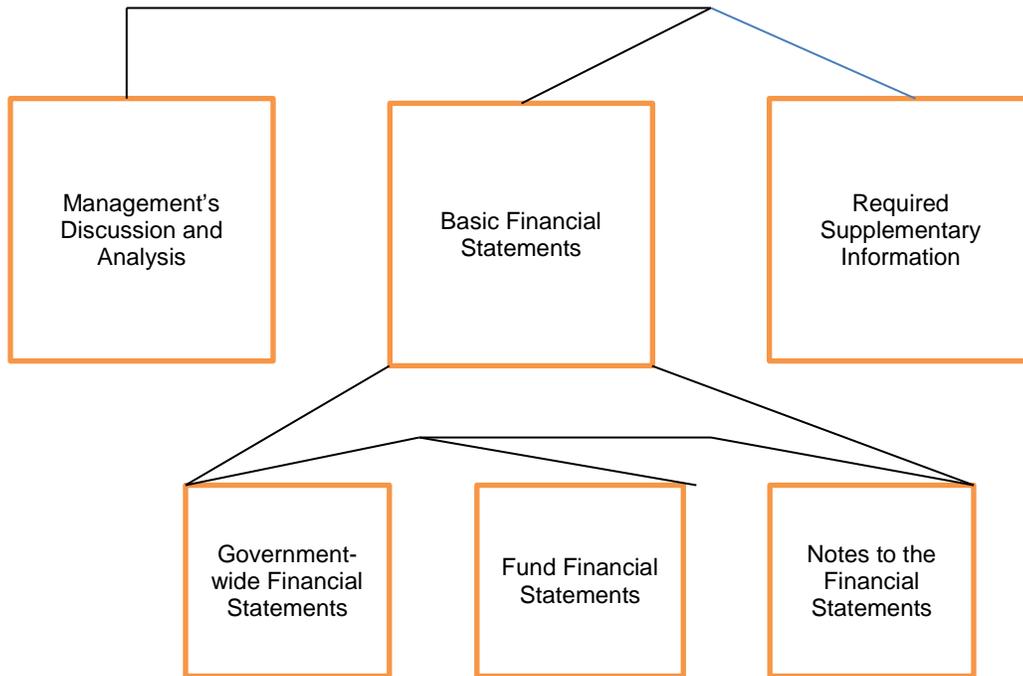
- The assets/deferred outflows of the District exceeded liabilities/deferred inflows at April 30, 2016, by \$3,888,903. Of this amount, \$952,897 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The District's net position decreased by \$130,163 from the fiscal year. Property taxes collected were \$2,336,290, compared to the prior year of \$2,129,883.
- At April 30, 2016, the District's governmental funds reported combined fund balances of \$3,207,523, an increase of \$198,446.

**Overview of the Financial Statements**

This discussion is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following chart summarizes the District's financial statements:

**Organizational Chart of Annual Financial Reports**



**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include all assets and liabilities using the modified cash basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses activity when cash is received or paid and includes capital asset activity.

The statement of net position presents 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 District'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 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 unpaid obligations).

The government-wide financial statement distinguishes District functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities reflected the District's basic services including fire, ambulance and other administrative functions.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are classified as governmental funds.

Governmental funds are used to account for essentially the same functions as governmental activities in the governmental-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. All of the District's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for use. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between government funds and government activities.

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

The District maintains five (5) individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and fund balances for the Corporate and Ambulance Fund and Capital Projects Fund all of which are considered to be major funds. Information from the District's other governmental funds are combined into a single column presentation. Individual fund information for these nonmajor governmental funds is provided elsewhere in the report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements (beginning on page 19).

**Other Information**

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the District's progress in funding its obligation to provide pension benefits to its employees. Nonmajor fund information can be found immediately following the required supplementary information.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Management's Discussion and Analysis**  
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The following table reflects the condensed Statement of Net Position:

	<u>2015</u>	<u>2016</u>
<b>Assets</b>		
Current Assets	\$ 4,207,828	\$ 4,419,892
Capital Assets	<u>1,665,198</u>	<u>1,517,618</u>
<b>Total Assets</b>	<u>5,873,026</u>	<u>5,937,510</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>1,120,872</u>
<b>Liabilities</b>		
Current Liabilities	119,802	119,451
Non-Current Liabilities	<u>390,523</u>	<u>1,391,155</u>
<b>Total Liabilities</b>	<u>510,325</u>	<u>1,510,606</u>
<b>Deferred Inflows of Resources</b>	<u>1,078,950</u>	<u>1,658,873</u>
<b>Net Position</b>		
Net Investment in Capital Assets	1,665,198	1,517,618
Restricted	1,254,497	1,418,388
Unrestricted	<u>1,364,056</u>	<u>952,897</u>
<b>Net Position</b>	<u>\$ 4,283,751</u>	<u>\$ 3,888,903</u>

*(Prior year information has not been updated for the effects of restatement due to the implementation of GASB Statement No.68 and No. 71 in 2015/2016)*

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. In the District's case, assets/deferred outflows exceeded liabilities/deferred inflows by \$3,888,903. The largest part of the District's net position reflects its investment in capital assets (land, buildings and improvements, infrastructure and vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Total revenues were \$3,007,190 while the expenditures totaled \$3,137,352 resulting in a decrease of \$130,163 in net position.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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The following table reflects the condensed Statement of Activities:

	<u>2015</u>	<u>2016</u>
<b>Revenues:</b>		
Program Revenues:		
Charge for Services	\$ 451,448	\$ 422,775
General Revenues:		
Property Taxes	2,129,883	2,336,290
Other Taxes	15,293	15,412
Earnings on Investments	10,216	11,555
Other General Revenue	<u>223,922</u>	<u>221,158</u>
<b>Total Revenues</b>	<u>2,830,762</u>	<u>3,007,190</u>
Expenses:		
Public Safety	<u>2,669,110</u>	<u>3,137,353</u>
<b>Total Expenses</b>	<u>2,669,110</u>	<u>3,137,353</u>
<b>Excess or (Deficiency) of Revenues over Expenditures</b>	161,652	(130,163)
<b>Net Position</b>		
Beginning of Year	4,122,099	4,283,751
Restatement	<u>-</u>	<u>(264,685)</u>
<b>End of Year</b>	<u>\$ 4,283,751</u>	<u>\$ 3,888,903</u>

*(Prior year information has not been updated for the effects of restatement due to the implementation of GASB Statement No.68 and No. 71 in 2015/2016)*

**Normal Impact on the District's Revenue & Expenses**

Economic conditions - this can reflect a declining, stable or growing economic environment and has a direct impact on property taxes, state replacement income tax, etc.

Changing patterns in intergovernmental and grant revenue - while certain recurring revenue (state shared revenue, etc.) may experience significant changes due to the economic environment, non-recurring or one-time grants are less predictable and often distort their impact on a year-to-year comparison.

Market impacts on investment income - market conditions may cause investment income to fluctuate.

Changes in authorized personnel - change in service demands may cause the District to change staffing levels. Personnel costs are a significant operating cost for the District.

Inflation - while overall inflation has been controlled in recent years, the District is a major consumer of certain commodities such as fuel, supplies, etc.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District's governmental funds reported combined ending fund balances of \$3,207,523 and a net increase of \$198,446 (see page 14 for additional details).

**CORPORATE & AMBULANCE FUND BUDGETARY HIGHLIGHTS**

The following table reflects significant budgetary variances in the Corporate & Ambulance Fund:

	2016			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b><u>Corporate &amp; Ambulance Fund</u></b>				
Revenues:				
Property Taxes	\$ 2,271,465	\$ 2,271,465	\$ 2,280,478	\$ 9,013
Replacement Taxes	12,000	12,000	15,412	3,412
Service Fees	375,000	375,000	422,775	47,775
Other	<u>227,000</u>	<u>227,000</u>	<u>209,222</u>	<u>(17,778)</u>
Total Revenue	<u>2,885,465</u>	<u>2,885,465</u>	<u>2,927,887</u>	<u>42,422</u>
Expenditures:				
Public Safety	2,808,875	2,808,875	2,759,331	49,544
Transfers	<u>134,000</u>	<u>134,000</u>	<u>134,000</u>	<u>-</u>
Total Expenditures	<u>2,942,875</u>	<u>2,942,875</u>	<u>2,893,331</u>	<u>49,544</u>
Net Change in Fund Balance	<u>\$ (57,410)</u>	<u>\$ (57,410)</u>	<u>\$ 34,556</u>	<u>\$ 91,966</u>

Additional details regarding budgetary variances for the Corporate and Ambulance Fund can be found beginning on page 43.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Governmental Activities Change in Capital Assets**

	<u>April 30, 2015</u>	<u>Additions</u>	<u>Retirement</u>	<u>April 30, 2016</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 595,777	\$ -	\$ -	\$ 595,777
Capital assets subject to depreciation				
Building & Improvements	725,223	-	-	725,223
Vehicles	1,602,435	-	-	1,602,435
Equipment	<u>396,528</u>	<u>-</u>	<u>-</u>	<u>396,528</u>
Total capital assets subject to depreciation	<u>2,724,186</u>	<u>-</u>	<u>-</u>	<u>2,724,186</u>
Less: Accumulated depreciation for:				
Building & Improvements	614,247	15,221	-	629,468
Vehicles	710,049	107,143	-	817,192
Equipment	<u>330,469</u>	<u>25,216</u>	<u>-</u>	<u>355,685</u>
Total accumulated depreciation	<u>1,654,765</u>	<u>147,580</u>	<u>-</u>	<u>1,802,345</u>
Net capital assets subject to depreciation	<u>1,069,421</u>	<u>(147,580)</u>	<u>-</u>	<u>921,841</u>
Net capital assets - Governmental activities	<u>\$ 1,665,198</u>	<u>\$ (147,580)</u>	<u>\$ -</u>	<u>\$ 1,517,618</u>

There were no major capital expenditures during the fiscal year.

Detailed information on the District's capital asset activity can be found in Note 6 on page 26 of the basic financial statements.

**Debt Administration**

At April 30, 2016, the District had no outstanding debt. Additional information regarding other non-current liabilities can be found in Note 7, page 27.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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**Financial Analysis of the District's Funds**

**Changes in Fund Balance - Governmental Funds**

Governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,192,873. Of this year-end total, the corporate fund reported a fund balance of \$1,789,135. The remaining \$1,403,738 is restricted, assigned or unrestricted. The following is a summary of changes in fund balances for the year ended April 30, 2016:

<i>Governmental Funds</i>	<i>Fund Balance April 30, 2015</i>	<i>Increase (Decrease)</i>	<i>Fund Balance April 30, 2016</i>
<i>Corporate &amp; Ambulance Fund</i>	\$ 1,754,579	\$ 34,556	\$ 1,789,135
<i>Capital Projects Fund</i>	1,220,434	142,840	1,363,274
<i>Audit Fund</i>	8,623	(320)	8,303
<i>Liability Insurance Fund</i>	13,657	3,360	17,017
<i>Worker's Compensation Fund</i>	11,784	3,360	15,144
<i>Foreign Fire Insurance Fund</i>	-	14,650	14,650
	\$ 3,009,077	\$ 198,446	\$ 3,207,523

**ECONOMIC FACTORS**

Property tax revenues are capped under State of Illinois rules for non-home rule communities like Districts. No additions to property tax revenues are allowed beyond the increase in the rate of inflation and a percentage factor for new construction.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances. If you have any questions about this report or would like to request additional information, please contact the District at 27W530 Highlake Road, Winfield, IL 60190.

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## **BASIC FINANCIAL STATEMENTS**

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Statement of Net Position**  
**April 30, 2016**

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	Governmental Activities
Assets	
Cash & Cash Equivalents	\$ 1,440,583
Investments	789,041
Receivables:	
Property Taxes	2,185,838
Replacement Taxes	2,439
Accrued Interest	827
Other	1,164
Capital Assets, Not Being Depreciated	595,777
Capital Assets, Net of Depreciation	<u>921,841</u>
 Total Assets	 <u>5,937,510</u>
Deferred Outflows of Resources	
Pension items - Firefighters' Pension Fund	<u>1,120,872</u>
 Total Deferred Outflows of Resources	 <u>1,120,872</u>
 Total Assets and Deferred Outflows	 <u>7,058,382</u>
Liabilities	
Accounts Payable	20,122
Accrued Payroll	80,368
Compensated Absences Payable	18,961
Long-term and Other Liabilities	
Non Current Liabilities	<u>1,391,155</u>
 Total Liabilities	 <u>1,510,606</u>
Deferred Inflows of Resources	
Unearned Property Taxes	1,092,918
Pension items - Firefighters' Pension Fund	<u>565,955</u>
 Total Deferred Inflows of Resources	 <u>1,658,873</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>3,169,479</u>
Net Position	
Net Investment in Capital Assets	1,517,618
Restricted For	
Capital Projects	1,363,274
Special Revenue	55,114
Unrestricted	<u>952,897</u>
 Net Position	 <u><u>\$ 3,888,903</u></u>

See Accompanying Notes to Financial Statements

# Winfield Fire Protection District

Winfield, Illinois

Statement of Activities

For the Year Ended April 30, 2016

Functions/Program	Expenses	Program Revenues			Net Revenue and Changes in Net Assets
		Charge for Services	Operating Grants	Capital Grants	Governmental Activities
Primary Government					
Governmental Activities					
Public Safety	\$ 3,137,352	\$ 422,775	\$ -	\$ -	\$ (2,714,577)
Total Governmental Activities	\$ 3,137,352	\$ 422,775	\$ -	\$ -	(2,714,577)
General Revenues					
Taxes					
Property					2,336,290
Replacement					15,412
Investment Income					11,555
Miscellaneous					221,157
Total General Revenue					2,584,414
Increase (Decrease) in Net Position					(130,163)
Net Position					
Beginning of year (restated)					4,019,066
Ending					\$ 3,888,903

See Accompanying Notes to Financial Statements



**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Governmental Funds**  
**For the Year Ended April 30, 2016**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>Revenues</b>				
<b>Taxes</b>				
Property Taxes	\$ 2,280,478	\$ -	\$ 55,812	\$ 2,336,290
Personal Property	15,412	-	-	15,412
Charge for Services	422,775	-	-	422,775
Investment Income	2,715	8,840	-	11,555
Miscellaneous	206,507	-	14,650	221,157
<b>Total Revenues</b>	<b>2,927,887</b>	<b>8,840</b>	<b>70,462</b>	<b>3,007,189</b>
<b>Expenditures</b>				
Fire & Ambulance	2,759,331	-	-	2,759,331
Audit	-	-	5,500	5,500
Liability Insurance	-	-	21,956	21,956
Worker's Comp Insurance	-	-	21,956	21,956
<b>Total Expenditures</b>	<b>2,759,331</b>	<b>-</b>	<b>49,412</b>	<b>2,808,743</b>
<b>Net Surplus (Deficiency) of Revenue over Expenditures</b>	<b>168,556</b>	<b>8,840</b>	<b>21,050</b>	<b>198,446</b>
<b>Other Sources (Uses)</b>				
Operating Transfers - In	-	134,000	-	(134,000)
Operating Transfers - Out	(134,000)	-	-	134,000
<b>Total Other Sources (Uses)</b>	<b>(134,000)</b>	<b>134,000</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>34,556</b>	<b>142,840</b>	<b>21,050</b>	<b>198,446</b>
<b>Fund Balance</b>				
Beginning	1,754,579	1,220,434	34,064	3,009,077
Ending	\$ 1,789,135	\$ 1,363,274	\$ 55,114	\$ 3,207,523

See Accompanying Notes to Financial Statements

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**April 30, 2016**

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Total Fund Balances - Governmental Funds	\$	3,192,873
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,517,618
Deferred outflows of resources related to pensions are not current current financial resources and are not reported in the funds		1,120,872
Deferred inflows of resources related to pensions are not current current financial resources and are not reported in the funds		(565,955)
Non-current liabilities that are not due and payable in the current period and are not reported as liabilities in the funds.		<u>(1,391,155)</u>
Net Position of Governmental Activities	\$	<u><u>3,874,253</u></u>

See Accompanying Notes to Financial Statements

# Winfield Fire Protection District

Winfield, Illinois

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended April 30, 2016

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Net Change in Fund Balances - Total Governmental Funds	\$	183,796
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation exceeded capital outlay/dispositions in the current period, (\$0 current additions; \$0 current disposals; less depreciation of \$147,580)		(147,580)
(Increase) Decrease in Non-current obligation not due and payable in the current period is not reported as an expenditure during the current year		<u>(181,029)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(144,813)</u></u>

See Accompanying Notes to Financial Statements

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund - Firefighter's Pension**  
**April 30, 2016**

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Assets	
Investments	
U.S Government Treasury Obligations	\$ 382,673
U.S Government and Agency Obligations	2,080,762
State & Local Obligations	431,563
Equity Mutual Funds	1,602,721
Money Market Mutual Funds	27,399
Mortgage Pools	4,921
Receivables	
Accrued Interest	<u>28,020</u>
Total Assets	4,558,059
Liabilities	
Payables	<u>1,171</u>
Net Position Held in Trust for Pension Benefits (A schedule of funding progress is presented in the required supplementary information)	<u>\$ 4,556,888</u>

See Accompanying Notes to Financial Statements

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Statement of Changes in Net Position**  
**Fiduciary Fund Type - Firefighter's Pension**  
**For the Year Ended April 30, 2016**

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Additions:	
Contributions	
Employer Contributions	\$ 168,554
Employee Contributions	<u>103,706</u>
Total Contributions	<u>272,260</u>
Investment Income	
Investment Earnings	89,028
Net Change in Fair Value	<u>1,429</u>
Total Investment Income	90,457
Less: Investment Expenses	<u>(10,986)</u>
Net Investment Income	<u>79,471</u>
Total Additions	<u>351,731</u>
Deductions:	
Administrative Expenses	<u>11,914</u>
Total Deductions	<u>11,914</u>
Net Changes in Net Position	<u>339,817</u>
Net Position Held in Trust for Pension Benefits	
Beginning of Year	<u>4,217,071</u>
End of Year	<u>\$ 4,556,888</u>

See Accompanying Notes to Financial Statements

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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

Winfield Fire Protection District (the "District") is a municipal corporation of the State of Illinois headquartered in the County of DuPage and duly chartered pursuant to Illinois Fire Protection District Art, 70 ILSC 705.

The District serves approximately 15,000 residents of Winfield, Winfield Township and parts of unincorporated part of DuPage County, Illinois. The District provides both fire and emergency medical services ("EMS") to residents of this area. In addition, the District has ongoing fire inspection and fire education programs and offers education in CPR and other medical topics along with a blood pressure screening program.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the District and any component units, entities for which the District is considered to be financially accountable. At April 30, 2016, there were no entities that would be considered a component unit of the District. Also, the District is not considered a component unit of any other governmental entity.

b. Fund Accounting

GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented effective May 1, 2015.

Government-Wide Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements

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

Fund Financial Statements - Financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

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

- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least ten (10) percent of the corresponding total for all funds of that category or type, and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund is at least five (5) percent of the corresponding total for all governmental funds combined.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The District reports the following major governmental funds

- **Corporate & Ambulance Fund** – Corporate and Ambulance Funds accounts for the District's primary operating activities. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Capital Projects Fund** – Capital Projects Fund accounts for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The other governmental funds of the District account for property taxes and other resources, whose use is restricted to a particular purpose.

- **Special Revenue Funds** – The special revenue fund type is used to account for the proceeds of specific revenue sources (other than those accounted for in debt service) that are legally restricted to expenditures for specified purposes. The District reports the Audit, Liability Insurance and Workers Compensation Fund, and Foreign Fire Insurance Fund as a nonmajor funds. The Foreign Fire Insurance Fund accounts for state allotment of charges assessed to insurance companies and is restricted for fire department related purposes under the control of the Foreign Fire Insurance Board.

Fiduciary funds are used to account for resources held for the benefit of parties outside of 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 District maintains one fiduciary funds: the Firefighters' Pension Fund (see note 10 for additional information).

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

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement of focus and 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 the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available to finance the District's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The District considers property taxes available if they are due and collected within 60 days in the year intended to finance. All other revenues are recognized when the cash is received. Expenditures are recorded when the related fund liability is incurred.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

On the Government-Wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus, which means all assets and liabilities (whether current or non-current) are included in the Statement of Net Assets and the Statement of Activities presents increases and decreases in net total assets.

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

d. Deposits and Investments

Investments of the District's operating funds with maturities of one year or more from the date of purchase, other than non-negotiable certificates of deposit, are stated at fair value based on quoted market prices. Investments with maturities of one year or less from the date of purchase and non-negotiable certificates of deposit are stated at cost or amortized cost. All other investments which do not consider market rates are stated at cost. Investment income has been allocated to each fund based on investments held by the fund. All investments of the fiduciary fund are reported at fair value.

e. Receivables and Payables

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

f. Prepaid Expenses/Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/items.

g. Capital Assets

In the government-wide financial statements, the District has adopted a capitalization threshold of \$5,000 for individual equipment and apparatus and \$10,000 for building and improvements. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Prior to June 1, 2004, capital assets of governmental funds were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statement. Infrastructure of governmental funds was not previously capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government wide financial statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is currently encouraged, but not required.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Capital Assets (Continued)

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

Buildings	40 years
Machinery and Equipment	5 to 10 years
Vehicles	5 to 10 years
Furniture	3 to 10 years

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

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

h. Accumulated Vacation and Sick Pay

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the fund financial statements, compensated absences are reported as a fund liability for amounts owed to terminated or retired employees. Accumulated unused vacation and sick pay is recorded in the government-wide financial statements as an expense and liability of those funds as the benefits accrue to employees. The general fund has been used in prior years to liquidate the liability for compensated absences.

All full-time employees earn vacation benefits in varying annual amounts. All vacation leave to which an employee is entitled must be taken within one year of the employment anniversary date. The Fire Chief must approve any deviation from this policy. Therefore, unused vacation pay of \$18,961 is expected to be available from resources and is recorded as an accrued liability in the appropriate general fund account.

Sick leave shall be available for all regular full time employees equivalent to twelve (12) days per year, accrued at a rate of eight (8) hours per month cumulative to 150 days for weekly personnel, and six (6) 24-hour work days, accrued at a rate of twelve (12) hours per month, cumulative to a maximum of 90 work days, for shift personnel. Full time employees, upon retirement, voluntary termination or death, who have completed 20 years or more continuous service to the District shall be compensated, or in the case of death their beneficiary shall be compensated, for their accrued sick leave of an amount not to exceed 90 day. At year end, the unused sick pay for employees totaled \$268,540.

i. Deferred Outflows/Inflows of Resources

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

j. Fund Position and Fund Balance

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

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Fund Position and Fund Balance

In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the statement of assets, liabilities and fund balances of the governmental funds include the following line items:

- Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because they are either (a) not spendable by form (i.e. inventory or prepaid amounts) or (b) legally or contractually required to be maintained intact.
- Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments, as well as, limitations imposed by law through constitutional provision or enabling legislation.
- Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the District, the Board of Trustees is the highest level of decision making.
- Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Board of Trustees has not designated any members of management for this purpose nor has it adopted a specific policy granting members of management the authority to assign fund balance.

Unassigned fund balance is the total fund balance in the Corporate Fund in excess of nonspendable, restricted, committed, and assigned fund balance.

If an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the District will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The District does not have a minimum fund balance policy.

k. Use of Estimates

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

l. Total Columns on Combined Statements

Total columns on the Combined Statements are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

- The Fire Chief submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- The working budget is then approved by the Board and adopted. The Board holds public hearings to solicit comments and may add to, subtract from, or change appropriations, but may not change the form of the budget. Prior to August 31, the final budget is passed by an appropriation ordinance.
- The tax levy ordinance for the next fiscal year is filed with the County Clerk by the last Tuesday in December to obtain tax revenue.
- The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees' approval. No formal supplemental appropriation was made during the fiscal year. The Fire Chief can approve expenditures that exceed any line item of department expenditures of a fund as long as the expenditures does not exceed appropriations. Thus, the legal level of budgetary control is determined by fund.
- The legal budgetary authority lapses at the end of the fiscal year.
- The Budget for fiscal year ended April 30, 2016 was not amended.

The District does not have a formal policy regarding the flow of funds.

**NOTE 2 - PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The taxes attach as an enforceable lien on property on January 1. The owner of real property on January 1 in any year is liable for taxes for the year. The District has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the District. Also, the District is subject to the Property Tax Extension Limitation Act, which, in general, limits the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the DuPage County Collector who remits to the District its share of taxes collected. Taxes levied in one year become payable during the following year in two equal installments, on June 1 and on September 1. Taxes on railroad real property used for transportation purposes are payable in one installment on August 1. The District generally receives the real estate taxes within 30 to 60 days of the due dates.

The levy for the year 2015 are based upon an assessed valuation of \$586,112,606. The following are the tax rate limits permitted by Illinois statute and by local referendum and actual rates levied per \$100 of assessed valuation and the extensions produced there from:

Fund and/or purpose	Limit	Rate	Extension
Corporate	0.4000	0.1822	\$ 1,065,435
Ambulance	0.4000	0.1821	1,064,850
Firefighters' Pension	None	0.0294	171,920
Fire Pension Exempt	None	0.0019	11,110
Audit	0.0050	0.0009	5,263
Liability Insurance	None	0.0043	25,145
Workers Compensation	None	0.0043	25,145
		<u>0.4051</u>	<u>\$ 2,368,868</u>

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 3 - PERSONAL PROPERTY REPLACEMENT TAX**

The Personal Property Replacement Tax represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

Revenues are collected by the State of Illinois under the replacement tax and are allocated and paid by the State eight times a year. The replacement tax law provides that monies received should be first applied toward payment of the proportionate share of the pension or retirement obligation which were previously levied on personal property. Remaining allocations are made at the discretion of the Board of Trustees.

**NOTE 4 – DISTRICT CASH AND INVESTMENTS**

At April 30, 2016, the District had cash and investments on the financial statements consisting of the following:

	Cash & Cash Equivalents	Investments	Total
Cash and Investments	\$ 1,440,583	\$ 789,041	\$ 2,229,624

At year-end the District had the following debt investment and maturities:

	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1 to 5	6 to 10	More than 10
Negotiable Certificates of Deposits	\$ 789,041	\$ 434,379	\$ 354,662	\$ -	\$ -
	<u>\$ 789,041</u>	<u>\$ 434,379</u>	<u>\$ 354,662</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Investment Policy - Governmental Funds**

The District holds money market type investments and deposits with financial institutions, including certificate of deposits. As of April 30, 2016, the carrying amount of the District's deposits for governmental funds totaled \$2,228,624 and the bank balances totaled \$2,233,862. The weighted-average maturity of these investments held by the District is less than one (1) year.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

**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 pledging of collateral for all bank balances in excess of the federal depository insurance, at an amount of not less than 110% of the fair market value of the funds secured. At year-end the entire amount of the governmental funds bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 4 – DISTRICT CASH AND INVESTMENTS (Continued)**

**Credit Risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. At year-end the governmental funds did not hold any investments of this type.

**Concentrations:** This is a risk of loss attributed to the magnitude of the District's investment in a single issuer. Although the District's investment policy does not formally address this risk, it is the District's practice to diversify its investments with various financial institutions.

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES and TRANSFERS**

For the year ended April 30, 2016 transfers consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
Corporate/Ambulance Fund	\$ -	\$ 134,000
Capital Projects Fund	<u>134,000</u>	<u>-</u>
	<u>\$ 134,000</u>	<u>\$ 134,000</u>

The purpose of this transfer is to fund the future acquisition of equipment. The transfer will not be repaid.

**NOTE 6 – CAPITAL ASSETS**

As of June 1, 2004, records were updated to report the actual capital assets in use, to prospectively report capital assets, and to calculate and report depreciation of governmental type capital assets, historical costs or estimated historical costs if actual costs are not available. Total depreciation expense for governmental activities for the year ended April 30, 2016 was \$147,580. A summary of the changes in capital assets for the year follows:

	<u>April 30, 2015</u>	<u>Additions</u>	<u>Retirement</u>	<u>April 30, 2016</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 595,777	\$ -	\$ -	\$ 595,777
Capital assets subject to depreciation				
Building & Improvements	725,223	-	-	725,223
Vehicles	1,602,435	-	-	1,602,435
Equipment	<u>396,528</u>	<u>-</u>	<u>-</u>	<u>396,528</u>
Total capital assets subject to depreciation	<u>2,724,186</u>	<u>-</u>	<u>-</u>	<u>2,724,186</u>
Less: Accumulated depreciation for:				
Building & Improvements	614,247	15,221	-	629,468
Vehicles	710,049	107,143	-	817,192
Equipment	<u>330,469</u>	<u>25,216</u>	<u>-</u>	<u>355,685</u>
Total accumulated depreciation	<u>1,654,765</u>	<u>147,580</u>	<u>-</u>	<u>1,802,345</u>
Net capital assets subject to depreciation	<u>1,069,421</u>	<u>(147,580)</u>	<u>-</u>	<u>921,841</u>
Net capital assets - Governmental activities	<u>\$ 1,665,198</u>	<u>\$ (147,580)</u>	<u>\$ -</u>	<u>\$ 1,517,618</u>

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 7 – LONG TERM DEBT**

The following is a summary of changes in long-term debt and other liabilities for the year ended April 30, 2016:

	Balance April 30, 2015	Increases	Retirements	Balance April 30, 2016	Long-Term Debt
Compensated absences payable	\$ 216,095	\$ 52,445	\$ -	\$ 268,540	\$ 268,540
Net pension liability - Firefighters' Pension Fund	<u>439,115</u>	<u>683,500</u>	<u>-</u>	<u>1,122,615</u>	<u>1,122,615</u>
	<u>\$ 655,210</u>	<u>\$ 735,945</u>	<u>\$ -</u>	<u>\$ 1,391,155</u>	<u>\$ 1,391,155</u>

**NOTE 8 - DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all governmental employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plan is not available to employees until termination, retirement, death or unforeseeable emergency.

The plan was converted to a trust in the name of the District's fiduciary agent to comply with amendments to Section 457. In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the District is not required to report the assets and liabilities of the plan on its balance sheet unless it is acting as a fiduciary agent. The District does not act as a fiduciary agent.

**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters' Pension Plan**

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 Board of Trustees. Two members of the Board are appointed by the Districts' Trustees, one member is elected by pension beneficiaries and two members are elected by active firefighters.

**Plan Membership**

At April 30, 2016, the measurement date, the Firefighters' Pension Plan membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	-
Inactive Plan Members Entitled to but not Receiving Benefits	2
Active Plan Members	
Vested	3
Nonvested	<u>7</u>
	<u>12</u>

(Based on the April 30, 2016 actuarial report)

**Winfield Fire Protection District**  
**Winfield, Illinois**  
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**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters’ Pension Plan (Continued)**

**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 as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  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% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited services may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters’ salary for the pension purposes is capped at \$106,800 for the calendar year of 2011, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary.

Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$ % 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 firefighters retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, effective each January 1<sup>st</sup> thereafter. The increase is the lesser of 3% of  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

**Deposits, Investments and Concentrations**

The deposits and investments of the Pension Fund are held separately from those of other District funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer’s Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the

**Winfield Fire Protection District**  
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**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters’ Pension Plan (Continued)**

**Deposits, Investments and Concentrations (Continued)**

pension Fund's fiduciary net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with fiduciary net position of \$2.5 million or more may invest up to forty-five percent of fiduciary net position in separate accounts of life insurance companies and mutual funds. Pension Funds with fiduciary net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the fiduciary net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with fiduciary net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty-five percent of its fiduciary net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2012.

**Credit Risk, Custodial Credit Risk and Concentration Risk**

*Investments.* At year-end the Pension Fund has the following debt investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 382,673	\$ 25,121	\$ 190,419	\$ 167,133	\$ -
Federal Farm Credit Bank	936,809	102,631	142,244	451,357	240,577
Federal Home Loan Bank	947,104	-	245,852	701,252	-
Mortgage Backed Securities	201,770	50,281	31,027	120,462	-
State and Local Obligations	431,563	-	297,891	133,672	-
Money Market Mutual Funds	<u>27,399</u>	<u>27,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,927,318</u>	<u>\$ 205,432</u>	<u>\$ 907,433</u>	<u>\$ 1,573,876</u>	<u>\$ 240,577</u>

The Pension Fund assumes any callable securities will not be called.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Pension Fund's investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code.

**Winfield Fire Protection District**  
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**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters’ Pension Plan (Continued)**

**Deposits, Investments and Concentrations (Continued)**

**Credit Risk, Custodial Credit Risk and Concentration Risk (Continued)**

The investments in the securities of State and Local Obligations were rated A or better, U.S. Government Agencies were all rated AA+ or better by Standard & Poor’s or by Moody’s Investors Services or were small issues that were unrated or underrated. Unrated (N/R) and underrated investments are listed in the following table.

Investment	Market Value	Interest Rate	Maturity Date	Standard & Poor’s	Moody’s
Cook Cnty, IL CCSD	\$ 10,399	4.200	12/01/18	N/R	Aa2
DeKalb Cmty UNI	25,956	4.447	01/01/18	AA-	N/R
Will Etc IL CSD	26,588	5.500	01/01/22	AA	N/R
Winnebago ETC IL	25,677	4.660	01/01/18	AA	N/R
Cook Cnty IL HSD	10,500	3.900	12/01/17	AA	N/R
Bartlett IL PK	27,608	4.625	12/15/19	AA	N/R
Wheaton IL PK	27,612	5.650	12/15/19	N/R	Aa2
Woodridge, IL Taxable	31,601	4.000	02/01/18	N/R	Aa1
Countryside IL	30,454	3.100	01/01/23	N/R	Aa2

The Pension Fund’s investment policy also prescribes to the “prudent person” rule, which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return.”

**Custodial Credit Risk - Deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund’s deposits may not be returned to it. At April 30, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund’s deposits with financial institutions.

**Custodial Credit Risk - Investments.** For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. While it is not required in the investment policy, the Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

**Concentration of Credit Risk.** This is the risk of loss attributed to the magnitude of the Pension Fund’s investment in a single issuer. The Pension Fund’s investment policy states “the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio.” At April 30, 2016, the Pension Fund has over 5%, \$227,844, of fiduciary net position invested in various agency securities as indicated in the preceding table. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

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

**Winfield Fire Protection District**  
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**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters’ Pension Plan (Continued)**

**Deposits, Investments and Concentrations (Continued)**

<u>Asset Class</u>	<u>Target</u>
Cash and Cash Equivalents	1.00%
Fixed Income	69.00%
Equities	30.00%
Equity Diversification	
US Large Cap Stock	70.00%
US Small Cap Stocks	20.00%
Foreign Securities	10.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fiduciary net position.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	
Large Cap Domestic Equity	6.80%
Small Cap Domestic Equity	8.90%
International Equity	7.00%
Fixed Income	2.00%
Cash	0.00%
Inflation	3.30%

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by *Morningstar – Stocks, Bonds, Bills and Inflation 2013 Yearbook* in which best-estimate of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
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**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters’ Pension Plan (Continued)**

**Deposits, Investments and Concentrations (Continued)**

The Pension Fund has diversified its equity holdings as follows:

	Fair Value
American Beacon Intl	\$ 19,877
Bridgeway Ultra Small	44,747
Cohen & Steers Inst.	26,287
Fidelity Adv Materials	15,919
First Eagle Overseas	103,589
Hennessy Focus FD	47,835
Homestead Focus Fund	106,045
LSV Value Equity Fund	161,268
Oppenheimer Developing	23,952
Oppenheimer Intl Growth	95,828
Pioneer Equity Income	165,153
T Rowe Price QM US Small	114,201
T Rowe Price Growth	300,469 *
Vanguard Energy Fund	6,499
Vanguard 500 Index Fd	<u>371,052 *</u>
 Total Equity Mutual Funds	 <u>\$ 1,602,721</u>

\* represents over 5% of Net Position

**Contributions**

Covered employees are required to contribute 9.455% of their base salary to the Firefighters’ Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For the year-ended April 30, 2016, the District’s contribution of \$168,554 was 12.81% of covered payroll. The District is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the District to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040.

**Rate of Return**

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The District’s net pension liability was measured as of April 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters’ Pension Plan (Continued)**

**Actuarial Assumptions**

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry Age Normal (Level %)
Asset Valuation Method	Market Value
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	3.25%
Individual Pay Increases	4.25% - 9.64%
Cost of Living Adjustments	2.50%
Inflation	2.50%

**Single Discount Rate**

A Single Discount Rate of 5.68% was used to measure the total pension liability. 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 6.00%, the municipal bond rate is 3.32%, and the resulting single discount rate is 5.68%.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 5.68%, as well as what the plan’s net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower	Current Discount Rate	1% Higher
Firefighters’ Pension Plan	4.68%	5.68%	6.68%
Total Pension Liability	\$ 6,948,941	\$ 5,679,502	\$ 4,689,563
Plan Fiduciary Net Position	<u>4,556,887</u>	<u>4,556,887</u>	<u>4,556,887</u>
Net Pension Liability (Asset)	<u>\$ 2,392,054</u>	<u>\$ 1,122,615</u>	<u>\$ 132,676</u>

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS – Firefighters’ Pension Plan (Continued)**

**Changes in the Net Pension Liability**

<u>IMRF Regular Plan</u>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A) - (B)
Balances at April 30, 2015	\$ 4,656,185	\$ 4,217,070	\$ 439,115
Changes for the year:			
Service Cost	318,481	-	318,481
Interest on the Total Pension Liability	264,471	-	264,471
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(608,128)	-	(608,128)
Changes of Assumptions	1,048,493	-	1,048,493
Contributions - Employer	-	168,554	(168,554)
Contributions - Employees	-	103,706	(103,706)
Contributions - Other	-	-	-
Net Investment Income	-	79,471	(79,471)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Administrative Expenses	-	(11,914)	11,914
Other (Net Transfer)	-	-	-
Net Changes	<u>1,023,317</u>	<u>339,817</u>	<u>683,500</u>
Balances at April 30, 2016	<u>\$ 5,679,502</u>	<u>\$ 4,556,887</u>	<u>\$ 1,122,615</u>

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

For the year ended April 30, 2016, the District recognized pension expense of \$297,138. At April 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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:

**Winfield Fire Protection District**  
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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – Fire Fighters’ Pension Fund (Continued)**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 565,955	\$ (565,955)
Changes of assumptions	975,781	-	975,781
Net difference between projected and actual earnings on pension plan investments	<u>145,091</u>	<u>-</u>	<u>145,091</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 1,120,872</u>	<u>\$ 565,955</u>	<u>\$ 554,917</u>

Year Ending December 31,	Net Deferred Outflows of Resources
2016	\$ 66,812
2017	66,812
2018	66,812
2019	66,811
2020	30,539
Thereafter	<u>257,131</u>
Total	<u>\$ 554,917</u>

**Rate of Return**

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance from private insurance companies to cover these risks. Risks covered include general liability, workers’ compensation, medical and other. Premiums have been recorded as expenditures in appropriate funds. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage during the year ended April 30, 2016.

**NOTE 11 - DEFICIT FUND BALANCE**

For the year ended April 30, 2016, none of the District’s funds had a deficit fund balance.

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 12 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

For the year ended April 30, 2016, none of the District's funds had an excess of actual expenditures over legally enacted budgeted amounts.

**NOTE 13 - LEGAL DEBT MARGIN**

Assessed Valuation (2015 tax levy)	<u>\$ 586,112,606</u>
Legal Debt Limits - 5.75% of Assessed Valuation	\$ 33,701,475
Outstanding Debt	<u>-</u>
Legal Debt Margin, April 30, 2016	<u>\$ 33,701,475</u>

**NOTE 14 – COMMON BANK ACCOUNTS**

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their un-invested cash balances in common checking accounts, with accounting records being maintained to show the portion of the common bank account balances attributed to each participating fund.

**NOTE 15 - CONTINGENCIES**

Per administration, as of April 30, 2016, the District is not aware of any pending or threatened litigation, claims or assessments against them.

The Firefighters' Pension Fund is currently involved in a disability benefits claim. Although the outcome of the claim is not presently determinable, the Pension Fund believes that the resolution of these matters will not have an adverse effect on the financial condition of the fund.

**NOTE 17 – RESTATEMENT OF NET POSITION and FUND BALANCE**

Net position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension liability and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	<u>Governmental Activities</u>
Net Position - April 30, 2015 (as reported)	\$ 4,283,751
Add: Prior year's net pension obligation	174,430
Deduct: Prior year's net pension liability related to pensions (Firefighters' Pension Fund)	<u>(439,115)</u>
Net Position - April 30, 2015 (restated)	<u>\$ 4,019,066</u>

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2016**

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**NOTE 18 - DATE OF MANAGEMENT'S REVIEW**

Management has evaluated events and transactions occurring after the balance sheet date through September 27, 2016, which is the date the financial statement were available to be used. Management has determined that none of the events occurring after the date of the balance sheet through the date of management's review substantially affect the amount and disclosure of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

# Winfield Fire Protection District

Winfield, Illinois

Required Supplementary Information

For the Year Ended April 30, 2016

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## SCHEDULE OF EMPLOYER CONTRIBUTION FIREFIGHTER'S PENSION FUND

Calendar Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 199,609	\$ 168,554	\$ 31,055	\$ 1,316,304	12.81%
2015	197,303	167,151	30,152	1,024,650	16.31%

### Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of April 30 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

### Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actual cost method	Aggregate Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	100% Funded by 2040
Asset valuation method	5-Year smoothed market
Wage growth	3.25%
Price inflation	2.50% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary increases	3.75% to 10.50% including inflation
Investment rate of return	6.00%
Retirement age	See the Notes to the Financial Statements
Mortality	Mortality rates are based on rates developed in the Lauterbach & Amen, LLP 2016 Mortality Table for Illinois Firefighters

(See independent auditor's report.)

# Winfield Fire Protection District

Winfield, Illinois

Required Supplementary Information

For the Year Ended April 30, 2016

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## FIREFIGHTERS' PENSION FUND SCHEDULE OF CHANGE IN THE EMPLOYER'S NET PENSION LIABILITY

	04/30/2016	04/30/2015
Total Pension Liability		
Service Costs	\$ 318,481	\$ 262,866
Interest	264,471	277,528
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(608,128)	(248,163)
Change of Assumptions	1,048,493	94,292
Benefit Payments, Including Refunds of Member Contributions	-	-
	<u>1,023,317</u>	<u>386,523</u>
Net Change in Total Pension Liabilities	1,023,317	386,523
Total Pension Liability - Beginning	<u>4,656,185</u>	<u>4,269,662</u>
	<u>\$ 5,679,502</u>	<u>\$ 4,656,185</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 168,554	\$ 167,151
Contributions - Members	103,706	94,530
Contributions - Other	-	-
Net Investment Income	79,471	210,214
Benefit Payments, Including Refunds of Member Contributions	-	-
Administrative Expenses	(11,914)	(7,837)
Other	-	-
	<u>339,817</u>	<u>464,058</u>
Net Change in Plan Net Position	339,817	464,058
Plan Net Position - Beginning	<u>4,217,070</u>	<u>3,753,012</u>
	<u>4,556,887</u>	<u>4,217,070</u>
Employer's Net Pension Liability	<u>\$ 1,122,615</u>	<u>\$ 439,115</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>80.23%</u>	<u>90.57%</u>
Covered Payroll	<u>\$ 1,316,304</u>	<u>\$ 1,024,650</u>
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	<u>85.29%</u>	<u>42.86%</u>

(See independent auditor's report.)

# Winfield Fire Protection District

Winfield, Illinois  
Required Supplementary Information  
For the Year Ended April 30, 2016

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## FIREFIGHTERS' PENSION FUND SCHEDULE OF INVESTMENT RETURNS

Fiscal Year	Annual Money-Weights Rate of Return, Net of Investment Expenses
2016	2.01%
2015	5.44%

(See independent auditor's report.)

**MAJOR GOVERNMENTAL FUNDS**

**INTENTIONALLY LEFT BLANK**

## Budgets and Budgetary Accounting

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

The Fire Chief submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

The working budget is then approved by the Board and adopted. The Board holds public hearings to solicit comments and may add to, subtract from, or change appropriations, but may not change the form of the budget. Prior to August 31, the final budget is passed by an appropriation ordinance. The tax levy ordinance is filed with the County Clerk by the last Tuesday in December to obtain tax revenue.

The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees' approval. The Supervisor can approve expenditures that exceed any line item within the fund as long as the expenditures do not exceed appropriations. Thus, the legal level of budgetary control is determined by fund.

The legal budgetary authority lapses at the end of the fiscal year.

The budget amounts shown in the financial statements are those originally adopted ("Original") and the ("Final") as there were line item transfers made during the fiscal year.

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# Winfield Fire Protection District

Winfield, Illinois

Corporate & Ambulance Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Actual to Budget

For the Year Ended April 30, 2016

With Comparative Totals for the Year Ended April 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)	Prior Year Actual
<b>Revenues</b>					
Taxes					
Property Taxes	\$ 2,270,983	\$ 2,270,983	\$ 2,280,478	\$ 9,495	\$ 2,240,874
Replacement Taxes	12,000	12,000	15,412	3,412	15,293
Charge for Services	375,000	375,000	422,775	47,775	451,448
Investment Income	2,000	2,000	2,715	715	2,589
Miscellaneous	225,000	225,000	206,507	(18,493)	223,920
<b>Total Revenues</b>	<b>2,884,983</b>	<b>2,884,983</b>	<b>2,927,887</b>	<b>42,904</b>	<b>2,934,124</b>
<b>Expenditures</b>					
Current					
Compensation & Benefits	2,426,675	2,480,475	2,381,095	(99,380)	2,247,716
Legal & Professional	90,600	86,200	98,611	12,411	98,232
Administrative Costs	27,050	20,100	25,574	5,474	26,531
Building & Facility	114,100	89,700	101,666	11,966	120,437
Equipment Maintenance/Supplies	76,000	82,000	75,425	(6,575)	64,221
Fire & Rescue Equipment	31,650	24,300	31,335	7,035	24,034
Capital Projects	14,200	15,900	15,724	(176)	45,604
Training & Education	28,600	10,200	29,901	19,701	32,694
<b>Total Current Expenditures</b>	<b>2,808,875</b>	<b>2,808,875</b>	<b>2,759,331</b>	<b>(49,544)</b>	<b>2,659,469</b>
Excess (Deficiency) of Revenue over Expenditures	76,108	76,108	168,556	92,448	274,655
<b>Other Sources (Uses)</b>					
Operating Transfers - Out	(134,000)	(134,000)	(134,000)	-	(131,000)
<b>Total Other Sources (Uses)</b>	<b>(134,000)</b>	<b>(134,000)</b>	<b>(134,000)</b>	<b>-</b>	<b>(131,000)</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ (57,892)</b>	<b>\$ (57,892)</b>	<b>34,556</b>	<b>\$ 92,448</b>	<b>143,655</b>
Fund Balance at Beginning of Year			1,754,579		1,610,924
Fund Balance at End of Year			<b>\$ 1,789,135</b>		<b>\$ 1,754,579</b>

(See independent auditor's report.)

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**COMBINING & INDIVIDUAL FUND  
FINANCIAL STATEMENTS & SCHEDULES  
(Nonmajor Governmental Funds)**

**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Balance Sheet - Nonmajor Governmental Funds**  
**April 30, 2016**

Special Revenue Funds

	Audit Fund	Liability Insurance Fund	Worker's Compensation Fund	Foreign Fire Insurance Fund	Total
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 5,671	\$ 4,732	\$ 2,859	\$ 14,650	\$ 27,912
Receivables:					
Property Taxes	5,263	25,145	25,145	-	55,553
Total Assets	<u>\$ 10,934</u>	<u>\$ 29,877</u>	<u>\$ 28,004</u>	<u>\$ 14,650</u>	<u>\$ 83,465</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities					
Accounts Payable	\$ -	\$ 288	\$ 288	\$ -	\$ 576
Total Liabilities	<u>-</u>	<u>288</u>	<u>288</u>	<u>-</u>	<u>576</u>
Deferred Inflows of Resources					
Unearned Property Tax Revenue	2,631	12,572	12,572	-	27,775
Total Deferred Inflows of Resources	<u>2,631</u>	<u>12,572</u>	<u>12,572</u>	<u>-</u>	<u>27,775</u>
Fund Balances					
Restricted For					
Special Revenue Funds	8,303	17,017	15,144	14,650	55,114
Total Fund Balances	<u>8,303</u>	<u>17,017</u>	<u>15,144</u>	<u>14,650</u>	<u>55,114</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 10,934</u>	<u>\$ 29,877</u>	<u>\$ 28,004</u>	<u>\$ 14,650</u>	<u>\$ 83,465</u>

(See independent auditor's report.)

# Winfield Fire Protection District

Winfield, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balance -

Nonmajor Governmental Funds

For the Year Ended April 30, 2016

	Special Revenue Funds				Total
	Audit Fund	Liability Insurance Fund	Worker's Compensation Fund	Foreign Fire Insurance Fund	
Revenue:					
Property & Replacement Taxes	\$ 5,180	\$ 25,316	\$ 25,316	\$ -	\$ 55,812
Miscellaneous	-	-	-	14,650	14,650
Total Revenues	<u>5,180</u>	<u>25,316</u>	<u>25,316</u>	<u>14,650</u>	<u>70,462</u>
Expenditures					
Public Safety					
Audit	5,500	-	-	-	5,500
Liability Insurance	-	21,956	-	-	21,956
Worker's Compensation Insurance	-	-	21,956	-	21,956
Total Expenditures	<u>5,500</u>	<u>21,956</u>	<u>21,956</u>	<u>-</u>	<u>49,412</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(320)</u>	<u>3,360</u>	<u>3,360</u>	<u>14,650</u>	<u>21,050</u>
Other Sources (Uses)					
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Fund Balance	(320)	3,360	3,360	14,650	21,050
Fund Balance at Beginning of Year	<u>8,623</u>	<u>13,657</u>	<u>11,784</u>	<u>-</u>	<u>34,064</u>
Fund Balance at End of Year	<u>\$ 8,303</u>	<u>\$ 17,017</u>	<u>\$ 15,144</u>	<u>\$ 14,650</u>	<u>\$ 55,114</u>

(See independent auditor's report.)

# Winfield Fire Protection District

Winfield, Illinois

Audit Fund

Statement of Revenue, Expenditures and Changes in Fund Balance - Actual to Budget

For the Year Ended April 30, 2016

With Comparative Totals for the Year Ended April 30, 2015

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	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)	Prior Year Actual
Revenues					
Taxes					
Property Taxes	\$ 5,118	\$ 5,118	\$ 5,180	\$ 62	\$ 5,158
Total Revenues	<u>5,118</u>	<u>5,118</u>	<u>5,180</u>	<u>62</u>	<u>5,158</u>
Expenditures					
Current Expenditures					
Audit	<u>6,500</u>	<u>6,500</u>	<u>5,500</u>	<u>(1,000)</u>	<u>5,250</u>
Total Current Expenditures	<u>6,500</u>	<u>6,500</u>	<u>5,500</u>	<u>(1,000)</u>	<u>5,250</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(1,382)</u>	<u>(1,382)</u>	<u>(320)</u>	<u>1,062</u>	<u>(92)</u>
Other Sources (Uses)					
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Fund Balance	<u>\$ (1,382)</u>	<u>\$ (1,382)</u>	<u>(320)</u>	<u>\$ 1,062</u>	<u>(92)</u>
Fund Balance at Beginning of Year			<u>8,623</u>		<u>8,715</u>
Fund Balance at End of Year			<u>\$ 8,303</u>		<u>\$ 8,623</u>

(See independent auditor's report.)

# Winfield Fire Protection District

Winfield, Illinois

Liability Insurance Fund

Statement of Revenue, Expenditures and Changes in Fund Balance - Actual to Budget

For the Year Ended April 30, 2016

With Comparative Totals for the Year Ended April 30, 2015

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	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)	Prior Year Actual
Revenues					
Taxes					
Property Taxes	\$ 25,588	\$ 25,588	\$ 25,316	\$ (272)	\$ 25,501
Total Revenues	25,588	25,588	25,316	(272)	25,501
Expenditures					
Current Expenditures					
Liability Insurance	30,000	30,000	21,956	(8,044)	19,497
Total Current Expenditures	30,000	30,000	21,956	8,044	19,497
Excess (Deficiency) of Revenue over Expenditures	(4,412)	(4,412)	3,360	7,772	6,004
Other Sources (Uses)					
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Net Increase (Decrease) in Fund Balance	\$ (4,412)	\$ (4,412)	3,360	\$ 7,772	6,004
Fund Balance at Beginning of Year			13,657		7,653
Fund Balance at End of Year			\$ 17,017		\$ 13,657

(See independent auditor's report.)

# Winfield Fire Protection District

Winfield, Illinois

## Worker's Compensation Insurance Fund

### Statement of Revenue, Expenditures and Changes in Fund Balance - Actual to Budget

For the Year Ended April 30, 2016

With Comparative Totals for the Year Ended April 30, 2015

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	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)	Prior Year Actual
Revenues					
Taxes					
Property Taxes	\$ 25,588	\$ 25,588	\$ 25,316	\$ (272)	\$ 25,501
Total Revenues	<u>25,588</u>	<u>25,588</u>	<u>25,316</u>	<u>(272)</u>	<u>25,501</u>
Expenditures					
Current Expenditures					
Workers Compensation	<u>30,000</u>	<u>30,000</u>	<u>21,956</u>	<u>(8,044)</u>	<u>19,497</u>
Total Current Expenditures	<u>30,000</u>	<u>30,000</u>	<u>21,956</u>	<u>8,044</u>	<u>19,497</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(4,412)</u>	<u>(4,412)</u>	<u>3,360</u>	<u>7,772</u>	<u>6,004</u>
Other Sources (Uses)					
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Fund Balance	<u>\$ (4,412)</u>	<u>\$ (4,412)</u>	<u>3,360</u>	<u>\$ 7,772</u>	<u>6,004</u>
Fund Balance at Beginning of Year			<u>11,784</u>		<u>5,780</u>
Fund Balance at End of Year			<u>\$ 15,144</u>		<u>\$ 11,784</u>

(See independent auditor's report.)

**ADDITIONAL SUPPLEMENTAL INFORMATION**

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**Winfield Fire Protection District**  
**Winfield, Illinois**  
**Statistical Comparison of Property Taxes Levied**  
**Tax Years 2015-2010**  
**April 30, 2016**

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	2015	2014	2013	2012	2011	2010
Assessed Valuation	<u>\$ 584,761,266</u>	<u>\$ 569,820,952</u>	<u>\$ 579,175,546</u>	<u>\$ 616,762,623</u>	<u>\$ 670,674,100</u>	<u>\$ 718,096,530</u>
<b>Tax Rates</b>						
Fire Protection	0.1822	0.1848	0.1771	0.1623	0.1451	0.1315
Ambulance	0.1821	0.1848	0.1771	0.1622	0.1450	0.1314
Pension	0.0294	0.0279	0.0271	0.0254	0.0203	0.0203
Pension (Exempt)	0.0019	0.0018	0.0018	0.0016	0.0013	0.0011
Audit	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008
Tort Liability	0.0043	0.0045	0.0044	0.0042	0.0038	0.0036
Worker's Compensation	<u>0.0043</u>	<u>0.0045</u>	<u>0.0044</u>	<u>0.0042</u>	<u>0.0038</u>	<u>0.0036</u>
<b>Total Tax Rates</b>	<u>0.4051</u>	<u>0.4092</u>	<u>0.3928</u>	<u>0.3607</u>	<u>0.3201</u>	<u>0.2923</u>
<b>Tax Extension</b>						
Fire Protection	\$ 1,065,435	\$ 1,050,802	\$ 1,025,720	\$ 1,001,006	\$ 973,148	\$ 944,297
Ambulance	1,064,850	1,050,802	1,025,720	1,000,389	972,477	943,579
Pension	171,920	158,644	156,957	156,658	136,147	145,774
Pension (Exempt)	11,110	10,235	10,425	9,868	8,719	7,899
Audit	5,263	5,118	5,212	4,934	5,365	5,745
Tort Liability	25,145	25,588	25,484	25,904	25,486	25,851
Worker's Compensation	<u>25,145</u>	<u>25,588</u>	<u>25,484</u>	<u>25,904</u>	<u>25,486</u>	<u>25,851</u>
<b>Total Tax Extension</b>	<u>\$ 2,368,868</u>	<u>\$ 2,326,777</u>	<u>\$ 2,275,002</u>	<u>\$ 2,224,663</u>	<u>\$ 2,146,828</u>	<u>\$ 2,098,996</u>

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