

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
May 31, 2014



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ADDISON, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Addison Fire Protection District #1
Addison, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Addison Fire Protection District #1, Addison, Illinois (the District) as of and for the year ended May 31, 2014, which collectively comprise the Addison Fire Protection District #1's basic financial statements as listed in the table of contents and the related notes to the financial statements.

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 of material misstatement.

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Addison Fire Protection District #1, Addison, Illinois as of May 31, 2014 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Our 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 and supplemental data are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplemental data 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.



Naperville, Illinois
September 26, 2014

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2014

As the Addison Fire Protection District (the District) management, we offer District financial statement readers this financial activities narrative overview and analysis for the fiscal year ended May 31, 2014. Management's discussion and analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

The District's MD&A is also designated to assist the reader in focusing on significant financial issues, provide an overview of financial activities, identify current changes, address subsequent years challenges, identify material deviations from the financial plan (approved budgets), and identify issues with individual funds.

Financial Highlights

- The District's assets exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$12,759,223. Of this, \$5,026,192 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens.
- The District's total net position decreased by \$459,754 primarily due to increases in operating expenses.
- As of the current fiscal year close, the District's governmental funds reported combined ending fund balances of \$9,482,204 a decrease of \$259,158 in comparison with the prior year. Of this amount, \$3,204,873 (34%) is available for spending at the government's discretion (unassigned fund balance).
- At the current fiscal year end, unassigned fund balance for the General Fund was \$3,204,873 or 33% of total General Fund expenditures. The General fund transferred \$1,168,000 to the Capital Improvement Fund, and \$100,000 to the Liability Insurance Fund.
- The District has no long term debt except for non-current compensated absences and other post employment benefit obligations.
- At the current fiscal year end, total fund balance in the Capital Improvement Fund was \$3,518,609 all of which is assigned for future capital acquisitions.

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.

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2014

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of District finances, in a manner similar to a private-sector business and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all District assets and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether or not the District's financial position 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and unpaid obligations).

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

Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-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.

The District maintains seven individual government funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund (which includes activities of the Ambulance Fund, Rescue Fund, and Operating Reserve Fund), Tort Liability Insurance Fund, and Capital Improvement Fund which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual schedules elsewhere in the report.

Addison Fire Protection District

Management's Discussion and Analysis

For the Year Ended May 31, 2014

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside government. Fiduciary Funds are not reflected in the government-wide financial statement because these fund's resources are not available to support the District's own programs. The Firemen's Pension fund is a Fiduciary Fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to these basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental

funds are presented immediately following the required supplementary information on pensions.

Statement of Net Position (000's omitted)

	<u>2014</u>	<u>2013</u>
Assets		
Other Assets:		
Cash + Investments	\$ 9,286	\$ 9,723
Prepaid items and other	1,006	816
Receivables (net of allowance for uncollectibles):		
Interest	24	21
Property taxes	10,763	10,504
Miscellaneous	21	0
Capital assets (net of accumulated depreciation)	<u>7,539</u>	<u>6,660</u>
Total assets	<u>28,639</u>	<u>27,724</u>
Liabilities		
Other Liabilities:		
Accounts payable	51	36
Accrued salaries	28	19
Other Liabilities	0	0
Deferred inflows of resources	10,763	10,505
Long Term Obligations	<u>5,038</u>	<u>3,945</u>
Total liabilities	<u>15,880</u>	<u>14,505</u>
Net Position		
Net investment in Capital Assets	7,539	6,632
Restricted	194	438
Unrestricted	<u>5,026</u>	<u>6,149</u>
Total net position	<u>\$ 12,759</u>	<u>\$ 13,219</u>

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2014

Condensed Statement of Governmental Activities For the Year Ended May 31, 2014 (000's omitted)

	<u>2014</u>	<u>2013</u>
Revenues:		
Foreign fire insurance	\$ 65	\$ 65
Real estate taxes	10,511	10,283
Replacement Tax	284	271
Interest	66	79
Charges for Service & Grants	1,195	1,453
Miscellaneous	466	428
Total revenues	<u>12,587</u>	<u>12,579</u>
Expenses:		
Administrative	203	209
Fire fighters and ambulance compensation and expense	5,315	5,077
Operations	1,478	2,680
Insurance	2,246	2,306
Maintenance of buildings and Equipment & Depreciation	142	114
Pension	1,502	1,336
Capital	2,161	38
Total expenses	<u>13,047</u>	<u>11,760</u>
Change in net position	(460)	819
Prior period adjustment	0	(529)
Net position, beginning of year	13,219	12,929
Net position, end of year	<u>\$12,759</u>	<u>\$13,219</u>

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the District's case, assets exceeded liabilities and deferred inflows of resources by \$12,759,223 at the most recent fiscal year close.

A portion of the District's net position (59.1%) reflects its investments in capital assets (e.g., land, buildings, machinery and equipment, and vehicles). The District uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In the case of the District, total net position is recorded as \$12,759,223. The District's total assets equal \$28,639,619. The District's total liabilities and deferred inflows of resources equals \$15,880,396.

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2014

Governmental activities. The District's net position decreased during the current fiscal year by \$459,754. Overall, the District realized a 0.1% increase in revenues coupled with a 10.9% increase in operating expenses.

- Property tax revenues increased from \$10.283 million in FY 13 to \$10.511 million in FY 14.
- Interest income decreased slightly due to investment rates remaining low.
- Charges for services and grants decreased from \$1.453 million in FY 13 to \$1.195 million in FY 14 due to a grant being completely received.
- Expenses increased from \$11.760 million in FY 2013 to \$13.047 million in FY 2014.

Financial Analysis of the District's funds

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

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

As of the current fiscal year end, the District's governmental funds reported combined ending fund balances of \$9,482,204, a decrease of \$259,158 in comparison with the previous year. 34% (\$3,204,873) of this total amount constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is non-spendable, restricted or assigned to indicate that is not available for new spending because it has already been committed to secure other expenditures as identified on page 6 of the audit report.

The General Fund is the District's chief operating fund. At the end of the current fiscal year, the General Fund's unassigned fund balance was \$3,204,873. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balances represents 33% of total General Fund expenditures.

General Fund Budgetary Highlights

Over the course of the year, the District did not revise the annual operating budget. Actual revenues exceeded budgeted expectations by 8.6%. The actual expenditures were 21.6% under budget.

Capital Assets and Debt Administration

Capital assets. At the end of fiscal year 2014, the District had total capital assets (net of accumulated depreciation) of \$7.539 million, invested in a broad range of capital assets including ambulance and fire equipment, buildings, land and equipment. The District maintains a detailed list of capital assets. Total depreciation expense for the year was \$553,281. Additional information on the District's capital assets can be found in Note 5 to the financial statements.

Addison Fire Protection District Management's Discussion and Analysis For the Year Ended May 31, 2014

Long-term debt. At the end of the current fiscal year, the District had no outstanding current and long-term debt. The District had one capital lease in which the last payment was made during FY14.. See Note 6 for further information.

Economic Factors in Next Year's Budgets and Rates

- Increased revenue stream continues at a slow pace. The state imposed tax cap continues to restrict the revenues needed to fully fund the district operations and more specifically the Pension fund. Additionally, the equalized assessed valuation of the District continues to steadily decline as property values in the District decline. In spite of restricted revenues, the operational budget remains balanced and did not exceed the revenues received operationally for the fiscal year. The vehicle and equipment replacement schedule was funded as needed for future purchases.
- The District continues to charge both residents and non-residents for ambulance service calls. The fee schedules are reviewed periodically to reflect current applicable charges reflective of acceptable rates provided by Medicare.

Requests for Information

This financial report is designed to provide a general overview of the Addison Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to, the Addison Fire Protection District #1, 10 S. Addison Road, Addison, Illinois 60101

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF NET POSITION

May 31, 2014

	Governmental Activities
<hr/>	
ASSETS	
Cash and investments	\$ 9,286,167
Receivables, net of allowance for uncollectibles	
Property taxes	10,762,750
Interest	24,283
Other	21,333
Prepaid items	229,678
Net pension asset	775,950
Capital assets not being depreciated	750,000
Capital assets (net of accumulated depreciation)	<u>6,789,458</u>
 Total assets	 <u>28,639,619</u>
 LIABILITIES	
Accounts payable	50,773
Accrued payroll	28,484
Long-term liabilities	
Due within one year	298,311
Due in more than one year	<u>4,740,078</u>
 Total liabilities	 <u>5,117,646</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	<u>10,762,750</u>
 Total deferred inflows of resources	 <u>10,762,750</u>
 Total liabilities and deferred inflows of resources	 <u>15,880,396</u>
 NET POSITION	
Net investment in capital assets	7,539,458
Restricted for	
Audit	5,790
Social security	14,939
IMRF	27,574
Insurance	46,403
Public safety	98,867
Unrestricted	<u>5,026,192</u>
 TOTAL NET POSITION	 <u><u>\$ 12,759,223</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2014

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental Activities					
Public safety	\$ 13,045,241	\$ 1,156,318	\$ 39,100	\$ -	\$ (11,849,823)
Interest	1,351	-	-	-	(1,351)
Total governmental activities	13,046,592	1,156,318	39,100	-	(11,851,174)
TOTAL PRIMARY GOVERNMENT	\$ 13,046,592	\$ 1,156,318	\$ 39,100	\$ -	(11,851,174)
General Revenues					
Taxes					
Property					10,510,709
Replacement					284,236
Foreign fire insurance					64,682
Investment income					65,769
Miscellaneous					466,024
Total					11,391,420
CHANGE IN NET POSITION					(459,754)
NET POSITION, JUNE 1					13,218,977
NET POSITION, MAY 31					\$ 12,759,223

See accompanying notes to financial statements.

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

May 31, 2014

	General	Tort Liability Insurance Fund	Capital Improvement Fund	Nonmajor Governmental	Total Governmental Funds
ASSETS					
Cash and investments	\$ 5,573,756	\$ 49,655	\$ 3,512,386	\$ 150,370	\$ 9,286,167
Receivables					
Property taxes	9,203,713	1,388,184	-	170,853	10,762,750
Interest	18,060	-	6,223	-	24,283
Other	21,333	-	-	-	21,333
Prepaid items	128,098	101,580	-	-	229,678
TOTAL ASSETS	\$ 14,944,960	\$ 1,539,419	\$ 3,518,609	\$ 321,223	\$ 20,324,211
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 45,298	\$ 2,275	\$ -	\$ 3,200	\$ 50,773
Accrued payroll	27,507	977	-	-	28,484
Total liabilities	72,805	3,252	-	3,200	79,257
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	9,203,713	1,388,184	-	170,853	10,762,750
Total deferred inflows of resources	9,203,713	1,388,184	-	170,853	10,762,750
Total liabilities and deferred inflows of resources	9,276,518	1,391,436	-	174,053	10,842,007
FUND BALANCES					
Nonspendable	128,098	101,580	-	-	229,678
Restricted					
Audit	-	-	-	5,790	5,790
Social security	-	-	-	14,939	14,939
IMRF	-	-	-	27,574	27,574
Insurance	-	46,403	-	-	46,403
Public safety	-	-	-	98,867	98,867
Assigned					
Capital improvements	-	-	3,518,609	-	3,518,609
Cash reserves	2,335,471	-	-	-	2,335,471
Unassigned	3,204,873	-	-	-	3,204,873
Total fund balances	5,668,442	147,983	3,518,609	147,170	9,482,204
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 14,944,960	\$ 1,539,419	\$ 3,518,609	\$ 321,223	\$ 20,324,211

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,482,204
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	7,539,458
Net pension assets are not financial resources and are not reported in governmental funds	775,950
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term liabilities at year end consist of:	
Compensated absences	(1,988,743)
Other postemployment benefit obligation	<u>(3,049,646)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 12,759,223</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	General	Tort Liability Insurance Fund	Capital Improvement	Nonmajor Governmental	Total Governmental Funds
REVENUES					
Property taxes	\$ 9,429,013	\$ 911,925	\$ -	\$ 169,771	\$ 10,510,709
Personal property replacement taxes	284,236	-	-	-	284,236
Foreign fire insurance tax	-	-	-	64,682	64,682
Charges for services	1,156,318	-	-	-	1,156,318
Intergovernmental	39,100	-	-	-	39,100
Investment income	48,203	290	17,276	-	65,769
Miscellaneous	466,024	-	-	-	466,024
Total revenues	11,422,894	912,215	17,276	234,453	12,586,838
EXPENDITURES					
Current					
Public safety	9,626,652	1,155,757	4,135	233,889	11,020,433
Capital outlay	-	-	2,161,258	-	2,161,258
Total expenditures	9,626,652	1,155,757	2,165,393	233,889	13,181,691
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,796,242	(243,542)	(2,148,117)	564	(594,853)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	100,000	1,168,000	-	1,268,000
Transfers (out)	(1,268,000)	-	-	-	(1,268,000)
Proceeds from the sale of capital assets	10,695	-	325,000	-	335,695
Total other financing sources (uses)	(1,257,305)	100,000	1,493,000	-	335,695
NET CHANGE IN FUND BALANCES	538,937	(143,542)	(655,117)	564	(259,158)
FUND BALANCES, JUNE 1	5,129,505	291,525	4,173,726	146,606	9,741,362
FUND BALANCES, MAY 31	\$ 5,668,442	\$ 147,983	\$ 3,518,609	\$ 147,170	\$ 9,482,204

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (259,158)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	1,755,458
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Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Depreciation	(553,281)
Loss on disposal of capital assets	(322,875)

Changes in the net pension asset are reported only in the statement of activities	13,520
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The change in capital leases payable is shown as an expense on the statement of activities	28,034
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The change in compensated absences payable is shown as an expense on the statement of activities	(615,850)
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The change in postemployment benefits payable is not a current financial obligation and is, therefore, not reported in the governmental funds	<u>(505,602)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (459,754)</u></u>
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See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

May 31, 2014

ASSETS

Investments

Cash and money market mutual funds	\$ 3,590,231
Municipal bonds	17,836,346
U.S. Treasury securities	1,000,921
U.S. agency securities	3,129,634
Corporate bonds	3,481,053
Mutual funds	1,239,896
Equity securities	11,660,523

Receivables

Accrued interest	468,245
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Prepaid items	<u>9,705</u>
---------------	--------------

Total assets	<u>42,416,554</u>
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LIABILITIES

Accounts payable	<u>14,989</u>
------------------	---------------

Total liabilities	<u>14,989</u>
-------------------	---------------

NET POSITION HELD IN TRUST FOR
PENSION BENEFITS

\$ 42,401,565

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended May 31, 2014

ADDITIONS

Contributions	
Employer contributions	\$ 1,501,848
Employee contributions	<u>425,134</u>
Total contributions	<u>1,926,982</u>
Investment income	
Net appreciation in fair value of investments	1,221,996
Interest	<u>1,749,208</u>
Total investment income	2,971,204
Less investment expense	<u>(50,460)</u>
Net investment income	<u>2,920,744</u>
Total additions	<u>4,847,726</u>

DEDUCTIONS

Pension benefits	3,113,901
Administrative expenses	49,225
Refunds	<u>56,218</u>
Total deductions	<u>3,219,344</u>

NET INCREASE	1,628,382
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NET POSITION HELD IN TRUST
FOR PENSION BENEFITS

June 1	<u>40,773,183</u>
May 31	<u><u>\$ 42,401,565</u></u>

See accompanying notes to financial statements.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Addison Fire Protection District #1 (the District) are in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following is a summary of the significant accounting policies of the District.

a. Reporting Entity

The District was created subject to the Fire Protection District Act (70 ILCS 705) to operate a fire protection district in the western suburbs of Illinois. The District was created “to provide the citizenry of the Addison Fire Protection District with professional fire prevention, fire suppression and emergency medical services.”

As required by the United States of America generally accepted accounting principles, these financial statements present the District and any component units, entities for which the District is considered to be financially accountable. At May 31, 2014, 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

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

Governmental funds are used to account for all or most of the District’s general activities, including the collection and disbursement of restricted monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of general capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of general long-term debt (debt service funds). The general (corporate) fund is used to account for all activities of the government not accounted for in some other fund.

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

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

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

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

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It is comprised of four subfunds: the General Fund, the Ambulance Fund, the Rescue Fund and the Operating Reserve Fund. The General Fund accounts for the financial resources of the general government, except those required to be accounted for in another fund. The Ambulance Fund accounts for a specific tax levy and charges for services to be used for paying the costs of paramedic ambulance services. Financing is provided by an annual property tax levy and charges to out-of-district and similar users. The Rescue Fund accounts for a specific tax levy to be used for paying wages and other costs for additional emergency personnel. The Operating Reserve Fund accounts for the accumulated reserve balances of the District.

The Liability Insurance Fund accounts for the expenditures restricted for liability, property, accident and sickness insurance expenditures. Financing is provided by a property tax levy.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Capital Improvement Fund accounts for funds assigned for major capital construction or acquisitions.

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

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

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

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

Those revenues susceptible to accrual are charges for services, replacement taxes and interest on investments.

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Deposits and Investments

Investments of the District's operating funds, other than nonnegotiable certificates of deposit, are stated at fair value based on quoted market prices. 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.

f. 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."

g. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, if any.

h. Capital Assets

Capital assets are recorded as expenditures at the time of purchase. Capital assets, which include land, buildings, vehicles and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

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

Assets	Years
Buildings and Training Tower	30
Antennas	20
Equipment	7-30
Vehicles	6-20

i. Compensated Absences

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 days are recorded in the government-wide financial statements as an expense and liability of those funds as the benefits accrue to employees. Employees are paid for 25% of unused or accumulated sick days until they have 20 years of service when their employment is severed with the District. After 20 years of service, employees are paid for 100% of their unused or accumulated sick days. The general fund has been used in prior years to liquidate the liability for compensated absences.

j. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond and note premiums and discounts are deferred and amortized over the life of the related debt using the effective interest method. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Position

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

The District does not have a formal fund balance policy. Therefore, in accordance with GASB Statement No. 54, the flow of funds use the default assumption that prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets is the book value of capital assets less any outstanding debt that was issued to construct the capital assets.

l. Deferred Outflows/Inflows of Resources

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. RECEIVABLE - TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2013, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a tax levy ordinance). Tax bills are prepared by the County and issued on or about May 1, 2014, and are payable in two installments, on or about June 1, 2014 and September 1, 2014. The County collects such taxes and remits them periodically. Because the 2013 levy is intended to finance the fiscal year ending May 31, 2015, it has been offset by unavailable revenue at May 31, 2014. The 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has not been recorded as a receivable as of May 31, 2014, as the tax has not yet been levied by the District and will not be levied until December 2014 and, therefore, the levy is not measurable at May 31, 2014.

3. DEPOSITS AND INVESTMENTS

a. District Investments

The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, U.S. state and local government bonds, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

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

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

Deposits with Financial Institutions

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. District Investments (Continued)

Investments

The following table presents the investments and maturities of the District's debt securities as of May 31, 2014:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. agency securities	\$ 6,298,520	\$ 251,300	\$ 6,047,220	\$ -	\$ -
Negotiable CDs	2,058,088	-	2,058,088	-	-
TOTAL	\$ 8,356,608	\$ 251,300	\$ 8,105,308	\$ -	\$ -

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government. Illinois Funds are rated AAA. The District's investment policy is silent on credit risk. The U.S. agency securities are rated AA+ to AAA. The negotiable certificates of deposit are not rated (but FDIC insured).

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

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

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. The District's investment policy requires that no more than 40% of assets shall be concentrated in a single instrument of class of instruments other than U.S. Treasury securities.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Firefighters' Pension Fund Investments

The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds. The Firefighters' Pension Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veterans' loans, obligation of the State of Illinois and its political subdivision, domestic equity securities, and registered mutual funds and Illinois insurance company general and separate accounts.

It is the policy of the Firefighters' Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Firefighters' Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of May 31, 2014:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 1,000,921	\$ -	\$ 1,000,921	\$ -	\$ -
U.S. agency securities	3,129,634	258,576	1,836,298	571,328	463,432
Municipal bonds	17,836,346	-	2,553,222	4,373,393	10,909,731
Corporate bonds	3,481,053	374,370	1,730,160	1,376,523	-
TOTAL	\$ 25,447,954	\$ 632,946	\$ 7,120,601	\$ 6,321,244	\$ 11,373,163

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Firefighters' Pension Fund Investments (Continued)

Investments (Continued)

In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The Firefighters' Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Government securities and money market mutual funds. The U.S. agency securities are rated AA+. The municipal bonds are rated AA- to AA+. The corporate bonds are rated BBB+ to AA+. The negotiable CD's are not rated. The Firefighters' Pension Fund investment policy does not address credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Firefighters' Pension Fund investment policy limits its exposure to custodial risk by utilizing an independent, third party institution to act as custodian for its securities.

Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of their investments invested in one type of investment. The Firefighters' Pension Fund's investment policy requires that no more than 50% of the Firefighters' Pension Fund's portfolio be invested in equity securities, mutual funds or life insurance separate accounts. In addition, the investment policy has ranges including a target allocation for all types of securities.

4. INTERFUND TRANSFERS

Transfers to/from other funds at May 31, 2014 consist of the following:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 1,268,000
Capital Improvement Fund	1,168,000	-
Tort Liability Insurance Fund (Nonmajor Governmental)	100,000	-
TOTAL	\$ 1,268,000	\$ 1,268,000

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. INTERFUND TRANSFERS (Continued)

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

- \$1,168,000 - The General Fund transferred funds to the Capital Improvement Fund for future capital improvements. The transfer will not be repaid.
- \$100,000 - The General Fund transferred funds to the Tort Liability Insurance Fund to fund operations. The transfer will not be repaid.

5. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2014 was as follows:

	Balances June 1	Increases	Decreases	Balances May 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 750,000	\$ -	\$ -	\$ 750,000
Total capital assets not being depreciated	750,000	-	-	750,000
Capital assets being depreciated				
Buildings and improvements	8,880,063	194,131	-	9,074,194
Vehicles and equipment	4,057,329	1,561,327	786,465	4,832,191
Total capital assets being depreciated	12,937,392	1,755,458	786,465	13,906,385
Less accumulated depreciation for				
Buildings	5,157,302	282,345	-	5,439,647
Vehicles and equipment	1,869,934	270,936	463,590	1,677,280
Total accumulated depreciation	7,027,236	553,281	463,590	7,116,927
Total capital assets being depreciated, net	5,910,156	1,202,177	322,875	6,789,458
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 6,660,156	\$ 1,202,177	\$ 322,875	\$ 7,539,458

Depreciation expense of \$553,281 was charged to the public safety function.

6. LONG-TERM DEBT

a. Capital Leases Payable

In March 2007, the District entered into a lease payable at 4.82% interest to finance certain firefighting equipment. The note is payable in annual installments of principal and interest of \$29,385 through March 2014.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. Capital Leases Payable (Continued)

The assets acquired through capital leases for governmental activities are as follows:

Apparatus and vehicles	\$ 346,045
Less accumulated depreciation	<u>(129,767)</u>
TOTAL	<u>\$ 216,278</u>

b. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended May 31, 2014:

	Balances June 1	Additions	Reductions	Balances May 31	Current Portion	Long-Term Portion
GOVERNMENTAL ACTIVITIES						
Capital leases payable						
2007 Capital Lease	\$ 28,034	\$ -	\$ 28,034	\$ -	\$ -	\$ -
Compensated absences payable	1,372,893	821,784	205,934	1,988,743	298,311	1,690,432
Net other postemployment benefit obligation	<u>2,544,044</u>	<u>505,602</u>	<u>-</u>	<u>3,049,646</u>	<u>-</u>	<u>3,049,646</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 3,944,971</u>	<u>\$ 1,327,386</u>	<u>\$ 233,968</u>	<u>\$ 5,038,389</u>	<u>\$ 298,311</u>	<u>\$ 4,740,078</u>

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health insurance; and natural disasters. These risks (except workers' compensation and employee health) are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the two prior fiscal years.

For employee health insurance coverage, the District was a member of the Illinois Fire District Employee Benefit Cooperative (the Coop). The Coop is a cooperative established August 1, 1996, by certain units of local government to administer health insurance benefit programs offered by the participating members to their officers and employees. The Coop acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each participating unit. Participation by the members represents a contractual obligation of the members to the Coop for the period. As of December 31, 2013, the District discontinued its participation in the Coop and settled all claims. The District is purchasing employee health insurance from an independent third party.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT (Continued)

For workers' compensation insurance, the District participates in the Illinois Public Risk Fund (the Fund). The Fund is a self-funded workers' compensation pool for public entities. The purpose of the Fund is to provide for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation and Occupational Diseases Laws on behalf of fire protection districts, public entities and agencies and other units of state and local government within the State of Illinois. There are approximately 500 members. A Board of Trustees oversees the operation of the Fund and governs it in accordance with State of Illinois Regulations.

Members' cost is proportional, based on contributions developed by payroll audits. Rates and any discounts approved by the Board of Trustees are used to determine standard premiums for each member. Each member's experience modifications are used. Members also participate in policyholder dividends based on the Fund's and individual member's experience. Members can also be assessed if the assets of the Fund are less than the reserves required to be maintained. The District is not aware of any additional amounts due to the Fund at May 31, 2014.

8. EMPLOYEE RETIREMENT SYSTEMS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2013 was 12.26%.

Firefighters' Pension Plan

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

At May 31, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	51
Employees	
Vested	32
Nonvested	20
	<hr/>
TOTAL	103
	<hr/>

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% 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 ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the 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 pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% 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 ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the District has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. For the year ended May 31, 2014, the District's contribution was 33.31% of covered payroll.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Firefighters' Pension
Actuarial valuation date	December 31, 2011	May 31, 2012
Actuarial cost method	Entry-Age Normal	Projected Unit Credit
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 years, Open	29 years, Closed
Significant actuarial assumptions		
a) Rate of return on (*) present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase (*) attributable to inflation	4.00% Compounded Annually	4.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	N/A

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs (Continued)

Employer annual pension costs (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO is the cumulative difference between the APC and the actual contributions.

	For Fiscal Year	Illinois Municipal Retirement	Firefighters' Pension
Annual pension costs (APC)	2012	\$ 36,223	\$ 1,306,476
	2013	39,157	1,307,413
	2014	37,200	1,488,328
Actual contribution	2012	\$ 36,223	\$ 1,372,031
	2013	39,157	1,335,824
	2014	37,200	1,501,848
Percentage of APC contributed	2012	100.00%	105.02%
	2013	100.00%	102.17%
	2014	100.00%	100.91%
NPO (asset)	2012	\$ -	\$ (734,019)
	2013	-	(762,430)
	2014	-	(775,950)

The net pension obligation (asset) as of May 31, 2014 has been calculated as follows:

Annual required contribution	\$ 1,503,286
Interest on net pension obligation	(53,370)
Adjustment to annual required contributions	<u>38,412</u>
Annual pension cost	1,488,328
Contributions made	<u>1,501,848</u>
Increase (decrease) in net pension obligation	(13,520)
Net pension obligation (asset), beginning of year	<u>(762,430)</u>
NET PENSION OBLIGATION (ASSET), END OF YEAR	<u>\$ (775,950)</u>

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Funded Status

The funded status of the plans as of May 31, 2014 is based on actuarial valuations performed as of December 31, 2013 for IMRF and May 31, 2013 for the Firefighters' Pension Plan and is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans.

	Illinois Municipal Retirement	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 961,393	\$ 55,243,783
Actuarial value of plan assets	757,016	40,568,196
Unfunded actuarial accrued liability (UAAL)	204,377	14,675,587
Funded ratio (actuarial value of plan assets/AAL)	78.74%	73.43%
Covered payroll (active plan members)	\$ 300,910	\$ 4,508,422
UAAL as a percentage of covered payroll	67.92%	325.51%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the District provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contract, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided

The District provides postemployment health care to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the District's retirement plans with 20 years of creditable service. The District provides an explicit premium subsidy to certain retirees and healthcare access to other retired members provided the member pays 50% of the blended premium. All healthcare benefits are provided through the District's insured health plan. The benefits levels are similar to those afforded to active employees. Upon a participant reaching the age of 65, Medicare becomes the primary insurer and the District's plan becomes secondary.

Membership

At June 1, 2012 (the latest actuarial valuation date), membership consisted of:

Retirees and beneficiaries currently receiving benefits	36
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>55</u>
TOTAL	<u><u>91</u></u>
Participating employers	<u><u>1</u></u>

Funding Policy

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 and the prior two years was as follows:

Fiscal Year Ended May 31,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 965,737	\$ 300,999	31.2%	\$ 1,970,798
2013	1,070,739	497,493	46.5%	2,544,044
2014	1,075,828	570,226	53.0%	3,049,646

The net OPEB obligation (NOPEBO) as May 31, 2014 was calculated as follows:

Annual required contribution	\$ 1,053,241
Interest on net OPEB obligation	114,482
Adjustment to annual required contribution	<u>(91,895)</u>
Annual OPEB cost	1,075,828
Contributions made	<u>570,226</u>
Increase in net OPEB obligation	505,602
Net OPEB obligation, beginning of year	<u>2,544,044</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 3,049,646</u></u>

Funded Status and Funding Progress. The funded status of the plan as of June 1, 2012 the latest actuarial valuation date was as follows:

Actuarial accrued liability (AAL)	\$ 14,798,952
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	14,798,952
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 5,081,086
UAAL as a percentage of covered payroll	291.26%

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions involve the projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 1, 2012 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return and an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5%. Both rates include a 5% wage inflation assumption. The actuarial value of assets was not determined as the District has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30-year open basis.

REQUIRED SUPPLEMENTARY INFORMATION

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 8,273,104	\$ 9,429,013	\$ 1,155,909
Personal property replacement taxes	200,000	284,236	84,236
Charges for services	1,343,000	1,156,318	(186,682)
Intergovernmental	250,000	39,100	(210,900)
Investment income	60,000	48,203	(11,797)
Miscellaneous	390,000	466,024	76,024
Total revenues	10,516,104	11,422,894	906,790
EXPENDITURES			
Current			
Public safety			
Administrative	230,340	203,424	(26,916)
Wages	5,515,268	4,680,482	(834,786)
Pension contributions	275,000	1,501,848	1,226,848
Operational - miscellaneous	1,229,400	814,460	(414,940)
Paramedic services	530,760	531,190	430
Buildings and grounds	175,000	141,556	(33,444)
Insurance	2,207,000	1,724,307	(482,693)
Capital outlay	2,117,301	29,385	(2,087,916)
Total expenditures	12,280,069	9,626,652	(2,653,417)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,763,965)	1,796,242	3,560,207
OTHER FINANCING SOURCES (USES)			
Transfers in	300,000	-	(300,000)
Transfers (out)	(3,348,000)	(1,268,000)	2,080,000
Proceeds from the sale of capital assets	-	10,695	10,695
Total other financing sources (uses)	(3,048,000)	(1,257,305)	1,790,695
NET CHANGE IN FUND BALANCE	<u>\$ (4,811,965)</u>	538,937	<u>\$ 5,350,902</u>
FUND BALANCE, JUNE 1		<u>5,129,505</u>	
FUND BALANCE, MAY 31		<u>\$ 5,668,442</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 919,969	\$ 911,925	\$ (8,044)
Investment income	1,000	290	(710)
Total revenues	920,969	912,215	(8,754)
EXPENDITURES			
Current			
Public safety			
Wages	850,486	634,445	(216,041)
Insurance	595,000	521,312	(73,688)
Total expenditures	1,445,486	1,155,757	(289,729)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(524,517)	(243,542)	280,975
OTHER FINANCING SOURCES (USES)			
Transfers in	600,000	100,000	(500,000)
Total other financing sources (uses)	600,000	100,000	(500,000)
NET CHANGE IN FUND BALANCE	<u>\$ 75,483</u>	(143,542)	<u>\$ (219,025)</u>
FUND BALANCE, JUNE 1		<u>291,525</u>	
FUND BALANCE, MAY 31		<u>\$ 147,983</u>	

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND**

May 31, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ 620,282	\$ 748,995	82.82%	\$ 128,713	\$ 272,090	47.31%
2009	675,402	885,199	76.30%	209,797	298,267	70.34%
2010	518,353	719,093	72.08%	200,740	227,447	88.26%
2011	546,488	776,381	70.39%	229,893	240,943	95.41%
2012	634,293	857,722	73.95%	223,429	300,693	74.30%
2013	757,016	961,393	78.74%	204,377	300,910	67.92%

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND**

May 31, 2014

Actuarial Valuation Date May 31,		(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$	31,266,947	\$ 45,004,759	69.47%	\$ 13,737,812	\$ 4,419,359	310.86%
2010		33,937,386	47,138,510	72.00%	13,201,124	4,457,176	296.18%
2011		37,225,472	49,662,681	74.96%	12,437,209	4,802,411	258.98%
2012		38,894,015	53,976,287	72.06%	15,082,272	4,427,778	340.63%
2013		40,568,196	55,243,783	73.43%	14,675,587	4,508,422	325.51%
2014		N/A	N/A	N/A	N/A	N/A	N/A

Note: Beginning in 2011, the projected unit credit actuarial cost method was used. For 2009 and 2010, the entry-age normal actuarial cost method was used.

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

May 31, 2014

Actuarial Valuation Date May 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 12,946,980	0.00%	\$ 12,946,980	\$ 4,755,443	272.26%
2011	-	N/A	0.00%	N/A	N/A	0.00%
2012	-	N/A	0.00%	N/A	N/A	0.00%
*2013	-	14,798,952	0.00%	14,798,952	5,081,086	291.26%
2014	-	N/A	0.00%	N/A	N/A	0.00%

The District implemented GASB Statement No. 45 for the fiscal year ended May 31, 2010. Information for prior years is not available. Valuations are performed triannually in accordance with GASB Statement No. 45.

* The measurement date of this valuation is June 1, 2012.

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

May 31, 2014

Fiscal Year May 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 26,066	\$ 26,066	100.00%
2010	28,216	28,216	100.00%
2011	25,178	25,178	100.00%
2012	36,223	36,223	100.00%
2013	39,157	39,157	100.00%
2014	37,200	37,200	100.00%

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

May 31, 2014

Fiscal Year May 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
2009	\$ 843,380	\$ 780,185	108.10%	\$ (146,031)
2010	1,077,098	877,116	122.80%	(346,370)
2011	1,634,842	1,318,994	123.95%	(668,464)
2012	1,372,031	1,325,178	103.54%	(734,019)
2013	1,335,824	1,326,223	100.72%	(762,430)
2014	1,501,848	1,503,286	99.90%	(775,950)

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN

May 31, 2014

Fiscal Year May 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 300,999	\$ 953,219	31.58%
2011	300,999	943,969	31.89%
2012	300,999	943,969	31.89%
2013	497,493	1,053,241	47.23%
2014	570,226	1,053,241	54.14%

The District implemented GASB Statement No. 45 for the fiscal year ended May 31, 2010.
Information for prior years is not available.

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2014

1. BUDGETS

The amounts presented in the budget column in the report are the operating budget for the year ended May 31, 2014.

2. BUDGETARY PROCEDURES

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

- a. The Chief submits to the District Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them for the General Fund, Special Revenue Funds, Capital Improvement Fund and the Pension Trust Fund.
- b. Public hearings are conducted by the District to obtain taxpayer comments.
- c. The appropriation is subsequently legally enacted through the passages of the ordinance.
- d. The Chief is authorized to transfer appropriated amounts between departments within funds with proper Board approval. The legal level of control is considered to be the fund level.
- e. Formal appropriation integration is employed as a management control device during the year. The appropriations are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- f. Appropriated amounts are as originally adopted.

3. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Amount
Audit Fund	\$ 29
Social Security Fund	694
Foreign Fire Insurance Fund	6,216

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

MAJOR GOVERNMENTAL FUNDS

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

COMBINING BALANCE SHEET BY SUBFUND
GENERAL FUND

May 31, 2014

	<u>Corporate</u>	<u>Ambulance</u>
ASSETS		
Cash and investments	\$ 1,350,177	\$ 1,767,484
Receivables		
Property taxes	5,047,296	3,684,536
Interest	11,641	1,256
Other	21,333	-
Prepaid items	75,542	52,556
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,505,989	\$ 5,505,832
	<hr/>	<hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 23,136	\$ 22,162
Accrued payroll	16,075	11,432
	<hr/>	<hr/>
Total liabilities	39,211	33,594
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	5,047,296	3,684,536
	<hr/>	<hr/>
Total deferred inflows of resources	5,047,296	3,684,536
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	5,086,507	3,718,130
	<hr/>	<hr/>
FUND BALANCES		
Nonspendable	75,542	52,556
Assigned		
Cash reserves	-	-
Unassigned	1,343,940	1,735,146
	<hr/>	<hr/>
Total fund balances	1,419,482	1,787,702
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,505,989	\$ 5,505,832
	<hr/>	<hr/>

Rescue	Operating Reserve	Totals
\$ 125,766	\$ 2,330,329	\$ 5,573,756
471,881	-	9,203,713
21	5,142	18,060
-	-	21,333
-	-	128,098
<u>\$ 597,668</u>	<u>\$ 2,335,471</u>	<u>\$ 14,944,960</u>
\$ -	\$ -	\$ 45,298
-	-	27,507
-	-	72,805
471,881	-	9,203,713
471,881	-	9,203,713
471,881	-	9,276,518
-	-	128,098
-	2,335,471	2,335,471
125,787	-	3,204,873
125,787	2,335,471	5,668,442
<u>\$ 597,668</u>	<u>\$ 2,335,471</u>	<u>\$ 14,944,960</u>

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY SUBFUND
GENERAL FUND

For the Year Ended May 31, 2014

	Corporate	Ambulance	Rescue
REVENUES			
Property taxes	\$ 5,603,996	\$ 3,278,585	\$ 546,432
Replacement taxes	142,118	142,118	-
Charges for services	86,257	1,070,061	-
Intergovernmental	39,100	-	-
Investment income	18,107	11,550	718
Miscellaneous	401,842	64,182	-
Total revenues	6,291,420	4,566,496	547,150
EXPENDITURES			
Current			
Public safety			
Administrative	100,586	100,483	-
Wages	2,665,615	1,920,751	-
Pension contributions	1,251,848	250,000	-
Operational - miscellaneous	458,118	356,342	-
Paramedic services	-	-	531,190
Buildings and grounds	81,434	60,122	-
Insurance	1,016,347	707,960	-
Capital outlay	-	-	29,385
Total expenditures	5,573,948	3,395,658	560,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	717,472	1,170,838	(13,425)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	(518,000)	(950,000)	-
Proceeds from the sale of capital assets	10,695	-	-
Total other financing sources (uses)	(507,305)	(950,000)	-
NET CHANGE IN FUND BALANCES	210,167	220,838	(13,425)
FUND BALANCES, JUNE 1	1,209,315	1,566,864	139,212
FUND BALANCES, MAY 31	\$ 1,419,482	\$ 1,787,702	\$ 125,787

Operating Reserve	Eliminations	Total
\$ -	\$ -	\$ 9,429,013
-	-	284,236
-	-	1,156,318
-	-	39,100
17,828	-	48,203
-	-	466,024
17,828	-	11,422,894
2,355	-	203,424
94,116	-	4,680,482
-	-	1,501,848
-	-	814,460
-	-	531,190
-	-	141,556
-	-	1,724,307
-	-	29,385
96,471	-	9,626,652
(78,643)	-	1,796,242
200,000	(200,000)	-
-	200,000	(1,268,000)
-	-	10,695
200,000	-	(1,257,305)
121,357	-	538,937
2,214,114	-	5,129,505
\$ 2,335,471	\$ -	\$ 5,668,442

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 4,412,322	\$ 5,603,996	\$ 1,191,674
Replacement taxes	100,000	142,118	42,118
Charges for services	92,000	86,257	(5,743)
Intergovernmental	250,000	39,100	(210,900)
Investment income	30,000	18,107	(11,893)
Miscellaneous	375,000	401,842	26,842
Total revenues	5,259,322	6,291,420	1,032,098
EXPENDITURES			
Current			
Public safety			
Administrative	115,550	100,586	(14,964)
Wages	2,992,071	2,665,615	(326,456)
Pension contributions	-	1,251,848	1,251,848
Operational - miscellaneous			
Photography	1,000	351	(649)
Communication	7,500	2,682	(4,818)
Dispatch services	75,000	65,497	(9,503)
Hydrant and opticom	10,000	8,368	(1,632)
Fire prevention	7,000	6,498	(502)
Equipment repairs	1,500	5,609	4,109
Fire investigation	400	100	(300)
Conference and travel	25,000	22,525	(2,475)
Dive team	3,000	2,752	(248)
TRS	3,000	123	(2,877)
Firefighting equipment	300,000	69,619	(230,381)
Fire hose	2,500	1,705	(795)
Turnout gear	20,000	18,507	(1,493)
Information technology	55,000	54,819	(181)
Fire extinguishers	3,100	1,767	(1,333)
Ladders	3,000	2,207	(793)
SCBA	8,400	2,383	(6,017)
Public education	7,000	3,078	(3,922)
Vehicle repair and parts	138,000	67,784	(70,216)
Vehicle operating	38,000	40,542	2,542
Training	47,000	42,966	(4,034)
Uniforms	29,000	18,375	(10,625)
Hazmat team	15,000	19,861	4,861
Buildings and grounds	87,500	81,434	(6,066)
Insurance	1,256,000	1,016,347	(239,653)
Total expenditures	5,250,521	5,573,948	323,427
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,801	717,472	708,671

(This schedule is continued on the following page.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL SUBFUND (Continued)

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	\$ (1,158,000)	\$ (518,000)	\$ 640,000
Proceeds from the sale of capital assets	-	10,695	10,695
Total other financing sources (uses)	<u>(1,158,000)</u>	<u>(507,305)</u>	<u>650,695</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (1,149,199)</u></u>	210,167	<u><u>\$ 1,359,366</u></u>
FUND BALANCE, JUNE 1		<u>1,209,315</u>	
FUND BALANCE, MAY 31		<u><u>\$ 1,419,482</u></u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 3,309,242	\$ 3,278,585	\$ (30,657)
Replacement taxes	100,000	142,118	42,118
Charges for services	1,251,000	1,070,061	(180,939)
Investment income	-	11,550	11,550
Miscellaneous	15,000	64,182	49,182
Total revenues	4,675,242	4,566,496	(108,746)
EXPENDITURES			
Current			
Public safety			
Administrative	111,790	100,483	(11,307)
Wages	2,064,849	1,920,751	(144,098)
Pension contributions	275,000	250,000	(25,000)
Operational - miscellaneous			
Photography	1,000	351	(649)
Communication	7,500	2,576	(4,924)
Dispatch services	75,000	65,497	(9,503)
Equipment repairs	7,000	4,773	(2,227)
Conference and travel	25,000	21,820	(3,180)
EMS billing fees	75,000	52,965	(22,035)
Turnout gear	20,000	18,507	(1,493)
Information technology	55,000	54,544	(456)
Medical equipment supplies	14,000	12,189	(1,811)
Public education	7,500	5,041	(2,459)
Vehicle repair and parts	65,000	57,080	(7,920)
Vehicle operating	38,000	40,945	2,945
Training	11,000	3,536	(7,464)
Uniforms	29,000	16,518	(12,482)
Buildings and grounds	87,500	60,122	(27,378)
Insurance	951,000	707,960	(243,040)
Total expenditures	3,920,139	3,395,658	(524,481)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	755,103	1,170,838	415,735
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(2,140,000)	(950,000)	1,190,000
Total other financing sources (uses)	(2,140,000)	(950,000)	1,190,000
NET CHANGE IN FUND BALANCE	<u>\$ (1,384,897)</u>	220,838	<u>\$ 1,605,735</u>
FUND BALANCE, JUNE 1		1,566,864	
FUND BALANCE, MAY 31		<u>\$ 1,787,702</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 551,540	\$ 546,432	\$ (5,108)
Investment income	-	718	718
Total revenues	551,540	547,150	(4,390)
EXPENDITURES			
Current			
Public safety			
Paramedic services	530,760	531,190	430
Capital outlay	30,000	29,385	(615)
Total expenditures	560,760	560,575	(185)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,220)	(13,425)	(4,205)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(50,000)	-	50,000
Total other financing sources (uses)	(50,000)	-	50,000
NET CHANGE IN FUND BALANCE	<u>\$ (59,220)</u>	(13,425)	<u>\$ 45,795</u>
FUND BALANCE, JUNE 1		<u>139,212</u>	
FUND BALANCE, MAY 31		<u>\$ 125,787</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
OPERATING RESERVE SUBFUND

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment income	\$ 30,000	\$ 17,828	\$ (12,172)
Total revenues	30,000	17,828	(12,172)
EXPENDITURES			
Current			
Public safety			
Admininstrative - investment management fees	3,000	2,355	(645)
Wages - accrued sick time	458,348	94,116	(364,232)
Capital outlay - operating reserve	2,087,301	-	(2,087,301)
Total expenditures	2,548,649	96,471	(2,452,178)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,518,649)	(78,643)	2,440,006
OTHER FINANCING SOURCES (USES)			
Transfers in	300,000	200,000	(100,000)
Total other financing sources (uses)	300,000	200,000	(100,000)
NET CHANGE IN FUND BALANCE	<u>\$ (2,218,649)</u>	121,357	<u>\$ 2,340,006</u>
FUND BALANCE, JUNE 1		<u>2,214,114</u>	
FUND BALANCE, MAY 31		<u><u>\$ 2,335,471</u></u>	

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**BALANCE SHEET
TORT LIABILITY INSURANCE FUND**

May 31, 2014

ASSETS

Cash and investments	\$ 49,655
Receivables	
Property taxes	1,388,184
Prepaid items	<u>101,580</u>
TOTAL ASSETS	<u>\$ 1,539,419</u>

**LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND FUND BALANCES**

LIABILITIES

Accounts payable	\$ 2,275
Accrued payroll	<u>977</u>

Total liabilities	<u>3,252</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	<u>1,388,184</u>
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Total deferred inflows of resources	<u>1,388,184</u>
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Total liabilities and deferred inflows of resources	<u>1,391,436</u>
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FUND BALANCES

Nonspendable	101,580
Restricted	
Insurance	<u>46,403</u>

Total fund balances	<u>147,983</u>
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,539,419</u>
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(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 919,969	\$ 911,925	\$ (8,044)
Investment income	1,000	290	(710)
Total revenues	920,969	912,215	(8,754)
EXPENDITURES			
Current			
Public safety			
Wages	850,486	634,445	(216,041)
Insurance	595,000	521,312	(73,688)
Total expenditures	1,445,486	1,155,757	(289,729)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(524,517)	(243,542)	280,975
OTHER FINANCING SOURCES (USES)			
Transfers in	600,000	100,000	(500,000)
Total other financing sources (uses)	600,000	100,000	(500,000)
NET CHANGE IN FUND BALANCE	<u>\$ 75,483</u>	<u>(143,542)</u>	<u>\$ (219,025)</u>
FUND BALANCE, JUNE 1		<u>291,525</u>	
FUND BALANCE, MAY 31		<u>\$ 147,983</u>	

(See independent auditor's report.)

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

**BALANCE SHEET
CAPITAL IMPROVEMENT FUND**

May 31, 2014

ASSETS	
Cash and investments	\$ 3,512,386
Receivables	
Interest	<u>6,223</u>
TOTAL ASSETS	<u><u>\$ 3,518,609</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
None	<u>\$ -</u>
FUND BALANCES	
Assigned	
Capital improvements	<u>3,518,609</u>
Total fund balances	<u>3,518,609</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,518,609</u></u>

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment income	\$ 15,000	\$ 17,276	\$ 2,276
Total revenues	15,000	17,276	2,276
EXPENDITURES			
Current			
Public safety			
Operational - miscellaneous			
Investment management fees	3,000	4,135	1,135
Capital outlay	6,739,312	2,161,258	(4,578,054)
Total expenditures	6,742,312	2,165,393	(4,576,919)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,727,312)	(2,148,117)	4,579,195
OTHER FINANCING SOURCES (USES)			
Transfers in	2,548,000	1,168,000	(1,380,000)
Proceeds from the sale of capital assets	-	325,000	325,000
Total other financing sources (uses)	2,548,000	1,493,000	(1,055,000)
NET CHANGE IN FUND BALANCE	<u>\$ (4,179,312)</u>	(655,117)	<u>\$ 3,524,195</u>
FUND BALANCE, JUNE 1		<u>4,173,726</u>	
FUND BALANCE, MAY 31		<u><u>\$ 3,518,609</u></u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

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

Social Security Fund - used to account for the expenditures restricted to the employers portion of the social security and medicare benefits. Financing is provided by a property tax levy.

Illinois Municipal Retirement Fund - used to account for the expenditures restricted to the employers matching portion of the IMRF benefits. Financing is provided by a property tax levy.

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

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

May 31, 2014

		Special Revenue	
		Audit	Social Security
ASSETS			
Cash and investments	\$	8,990	\$ 14,939
Receivables			
Property taxes		18,306	105,766
TOTAL ASSETS	\$	27,296	\$ 120,705
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$	3,200	\$ -
Total liabilities		3,200	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes		18,306	105,766
Total deferred inflows of resources		18,306	105,766
Total liabilities and deferred inflows of resources		21,506	105,766
FUND BALANCES			
Restricted			
Audit		5,790	-
Social security		-	14,939
IMRF		-	-
Public safety		-	-
Total fund balances		5,790	14,939
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$	27,296	\$ 120,705

<u>Special Revenue</u>		Total
<u>Illinois Municipal Retirement</u>	<u>Foreign Fire Insurance</u>	<u>Nonmajor Governmental</u>
\$ 27,574	\$ 98,867	\$ 150,370
46,781	-	170,853
<u>\$ 74,355</u>	<u>\$ 98,867</u>	<u>\$ 321,223</u>
\$ -	\$ -	\$ 3,200
-	-	3,200
46,781	-	170,853
46,781	-	170,853
46,781	-	174,053
-	-	5,790
-	-	14,939
27,574	-	27,574
-	98,867	98,867
27,574	98,867	147,170
<u>\$ 74,355</u>	<u>\$ 98,867</u>	<u>\$ 321,223</u>

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Special Revenue	
	Audit	Social Security
REVENUES		
Property taxes	\$ 18,554	\$ 105,759
Foreign fire insurance tax	-	-
Total revenues	18,554	105,759
EXPENDITURES		
Current		
Public safety		
Audit	18,781	-
Social security	-	35,835
Medicare	-	71,857
IMRF	-	-
Uniforms	-	-
Operational - miscellaneous	-	-
Capital outlay	-	-
Total expenditures	18,781	107,692
NET CHANGE IN FUND BALANCE	(227)	(1,933)
FUND BALANCE, JUNE 1	6,017	16,872
FUND BALANCE, MAY 31	\$ 5,790	\$ 14,939

Special Revenue		Total	
Illinois Municipal Retirement	Foreign Fire Insurance	Nonmajor	Governmental
\$ 45,458	\$ -	\$ 169,771	
-	64,682	64,682	
45,458	64,682	234,453	
-	-	18,781	
-	-	35,835	
-	-	71,857	
37,200	-	37,200	
-	6,332	6,332	
-	58,448	58,448	
-	5,436	5,436	
37,200	70,216	233,889	
8,258	(5,534)	564	
19,316	104,401	146,606	
\$ 27,574	\$ 98,867	\$ 147,170	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 18,752	\$ 18,554	\$ (198)
Total revenues	18,752	18,554	(198)
EXPENDITURES			
Current			
Public safety			
Audit	18,752	18,781	29
Total expenditures	18,752	18,781	29
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	(227)	<u>\$ (227)</u>
FUND BALANCE, JUNE 1		<u>6,017</u>	
FUND BALANCE, MAY 31		<u>\$ 5,790</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

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

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 106,998	\$ 105,759	\$ (1,239)
Total revenues	106,998	105,759	(1,239)
EXPENDITURES			
Current			
Public safety			
Social security	40,000	35,835	(4,165)
Medicare	66,998	71,857	4,859
Total expenditures	106,998	107,692	694
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	(1,933)	<u>\$ (1,933)</u>
FUND BALANCE, JUNE 1		<u>16,872</u>	
FUND BALANCE, MAY 31		<u>\$ 14,939</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 46,329	\$ 45,458	\$ (871)
Total revenues	<u>46,329</u>	<u>45,458</u>	<u>(871)</u>
EXPENDITURES			
Current			
Public safety			
IMRF	<u>46,329</u>	<u>37,200</u>	<u>(9,129)</u>
Total expenditures	<u>46,329</u>	<u>37,200</u>	<u>(9,129)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>8,258</u>	<u>\$ 8,258</u>
FUND BALANCE, JUNE 1		<u>19,316</u>	
FUND BALANCE, MAY 31		<u>\$ 27,574</u>	

(See independent auditor's report.)

ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND

For the Year Ended May 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Foreign fire insurance tax	\$ 64,000	\$ 64,682	\$ 682
Investment income	-	-	-
Total revenues	64,000	64,682	682
EXPENDITURES			
Current			
Public safety			
Uniforms	-	6,332	6,332
Operational - miscellaneous	64,000	58,448	(5,552)
Capital outlay	-	5,436	5,436
Total expenditures	64,000	70,216	6,216
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>(5,534)</u></u>	<u><u>\$ (5,534)</u></u>
FUND BALANCE, JUNE 1		<u>104,401</u>	
FUND BALANCE, MAY 31		<u><u>\$ 98,867</u></u>	

(See independent auditor's report.)

SUPPLEMENTAL DATA

**ADDISON FIRE PROTECTION DISTRICT #1
ADDISON, ILLINOIS**

SCHEDULE OF PROPERTY TAX ASSESSED VALUATIONS, RATES, AND EXTENSIONS

Last Five Levy Years

TAX LEVY YEAR	2013		2012		2011		2010		2009	
ASSESSED VALUATIONS	\$ 1,039,241,436		\$ 1,117,130,211		\$ 1,268,630,751		\$ 1,393,755,383		\$ 1,526,864,353	
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
TAX EXTENSIONS										
General	0.3626	\$ 3,724,836	0.4000	\$ 4,412,324	0.3645	\$ 4,553,293	0.3519	\$ 4,802,600	0.3135	\$ 4,677,227
IMRF	0.0046	47,254	0.0042	46,329	0.0035	43,722	0.0025	34,119	0.0022	32,823
Social Security	0.0104	106,835	0.0097	106,999	0.0082	102,433	0.0060	81,886	0.0037	55,202
Ambulance District	0.3623	3,721,754	0.3000	3,309,242	0.2666	3,330,337	0.2551	3,481,509	0.2275	3,394,160
Audit Fund	0.0018	18,491	0.0017	18,752	0.0014	17,489	0.0013	17,742	0.0011	16,411
Firefighter's Pension	0.1152	1,183,401	0.0991	1,093,153	0.0763	953,131	0.0759	1,035,855	0.0674	1,005,567
Fire Pension Exempt	0.0185	190,042	0.0138	152,225	0.0079	98,686	0.0071	96,898	0.0061	91,008
Rescue Fund	0.0464	476,647	0.0500	551,540	0.0470	587,119	0.0437	596,401	0.0388	578,872
Tort Judgements/Liability	0.1365	1,402,206	0.0834	919,969	0.0520	649,578	0.0013	17,742	0.0011	16,411
TOTAL TAX RATES/AMOUNTS	1.0583	\$ 10,871,466	0.9619	\$ 10,610,533	0.8274	\$ 10,335,788	0.7448	\$ 10,164,752	0.6614	\$ 9,867,681

* Property tax rates are per \$100 of assessed valuation.

(See independent auditor's report.)