

**NORTH PALOS FIRE PROTECTION
DISTRICT, ILLINOIS**

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2014

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014**

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INTRODUCTORY SECTION

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NAMES AND TITLES OF PRINCIPAL OFFICIALS
DECEMBER 31, 2014**

Marge Hodek	President
Samir Khalil	Secretary
Frank Bennett	Treasurer
Daniel Russell	Chief

FINANCIAL SECTION

Honorable District President and Board of Trustees
North Palos Fire Protection District, Illinois
Palos Hills, Illinois

INDEPENDENT AUDITOR'S REPORT

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund of North Palos Fire Protection District, Illinois, as of December 31, 2014, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

North Palos Fire Protection District, Illinois adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to basic financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages v through xii and employee retirement and postemployment benefit plan information on pages 36 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of North Palos Fire Protection District, Illinois. The introductory section, combining and individual fund financial statements and schedules, and other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of North Palos Fire Protection District, Illinois, for the year ended December 31, 2013, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund type. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of North Palos Fire Protection District, Illinois, as a whole. The individual fund financial statements and schedules for the year ended December 31, 2013, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Mulcahy, Pauritsch, Salvador & Co., Ltd.

Orland Park, Illinois
November 17, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

as of and for the year ended December 31, 2014

As management of North Palos Fire Protection District (the District), we offer readers of the District's Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended December 31, 2014.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets at the close of the most recent fiscal year by \$859,970 (*net deficit*). Of the District's net position, \$1,643,731 is invested in capital assets and \$112,785 is restricted. The District has a \$2,616,486 unrestricted deficit.
- The total net position of the District decreased by (\$1,003,199) due to an increase in pension and post-employment benefit obligations.
- Fund balance of the District's governmental funds decreased by \$302,087 resulting in an ending fund balance of \$1,716,090. The fund balance of the General Fund decreased by \$93,067.
- The District's long-term obligations increased this year due to a note payable relating to a capital asset addition and due to increases in the pension benefit and other post-employment benefit obligations.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements presented on pages 1 - 35 are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide the reader of the District's Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business.

The *statement of net position* presents information about all of the District's assets, liabilities and deferred inflows of resources. The difference between assets, liabilities, and deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The government-wide financial statements can be found on pages 1 - 2 of this report.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be categorized as one of two types: governmental fund or fiduciary fund.

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

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

The District maintains six different governmental funds and one pension trust fund. The major funds are the General Fund (which is comprised of the Corporate and Tort Liability subfunds) and the Ambulance Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled "Other Governmental Funds." Individual fund information for the other governmental funds is presented in the combining and individual fund financial statements and schedules section of this report.

The District adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison statements for each of the funds have been provided to demonstrate compliance with the budget.

The fund financial statements can be found on pages 3 - 8 of this report.

Fiduciary Fund. Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds *are not* available to support the District's own programs. The accounting used for fiduciary funds is on the full accrual basis.

The fiduciary fund utilized by the District is the Pension Fund.

The basic fiduciary fund financial statements can be found on pages 9 - 10 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 11 - 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's progress in funding its obligation to provide pension and OPEB benefits to its employees. This information is provided on pages 36 - 40 of the report.

The combining and individual fund financial statements and schedules in connection with the major, non-major governmental and fiduciary funds are presented immediately following the required supplementary information on pensions and OPEB. These statements and schedules can be found on pages 41 - 62 of this report.

Government-wide Financial Analysis

Statement of Net Position – Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets by \$859,970 at the close of the most recent fiscal year.

North Palos Fire Protection District, Illinois
Statement of Net Position
as of December 31, 2014 and 2013

	2014	2013
Assets:		
Current assets	\$ 6,325,193	\$ 6,411,415
Capital assets	2,146,956	1,726,452
Total assets	8,472,149	8,137,867
Liabilities:		
Current liabilities	510,597	299,155
Noncurrent liabilities	4,594,262	3,547,278
Total liabilities	5,104,859	3,846,433
Deferred inflows of resources	4,227,260	4,148,205
Net position (deficit):		
Net investment in capital assets	1,643,731	1,601,827
Restricted	112,785	131,142
Unrestricted	(2,616,486)	(1,589,740)
Total net position (deficit)	\$ (859,970)	\$ 143,229

Assets

Cash, investments and receivables are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the results of the property tax collection process; the District received approximately 93% of the annual property tax assessment for 2013 in 2014. It is expected a similar collection rate will occur for 2014 taxes collected in 2015.

Capital assets are used in the operations of the District. These are land, buildings and improvements, apparatus and vehicles, and equipment. Capital assets are discussed in greater detail in the section titled "Capital Assets and Debt Administration", elsewhere in this analysis.

An investment of \$2,146,956 in land, buildings and improvements, apparatus and vehicles, and equipment, to provide the services to the District's residents, represents 25.3% of the District's total assets.

Liabilities

Current and long-term obligations are classified based on anticipated payment date either in the near-term or in the future. Current obligations include accounts payable and accrued salaries and benefits. Long-term obligations such as the pension benefit obligation, compensated absences payable, and other post-employment benefit obligation will be liquidated from resources that will become available after fiscal 2015.

Deferred Inflows of Resources

Unavailable revenue in the form of assessed 2014 property taxes to be collected after fiscal year 2014 totaled \$4,227,260 at year end.

Net Position

The liabilities and deferred inflows of resources of the District exceed its assets by \$859,970, with an unrestricted deficit of (\$2,616,486). Total net position of the District does not include internal balances.

Statement of Activities

The following chart shows the revenue and expenses of the District's activities during 2014 and 2013.

**North Palos Fire Protection District, Illinois
Statement of Activities
for the years ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Program revenues:		
Charges for service	\$ 2,689,125	\$ 2,599,530
Grants and contributions	0	4,600
General revenues:		
Property taxes	3,905,491	3,961,611
Foreign fire insurance	24,411	19,554
Personal property replacement taxes	19,766	19,201
Unrestricted investment earnings	1,380	8,668
Other income	<u>16,339</u>	<u>16,006</u>
Total revenues	<u>6,656,512</u>	<u>6,629,170</u>
Expenses:		
Governmental activities:		
Fire and rescue	4,940,674	5,274,921
Emergency medical service	2,498,641	2,110,394
General government	217,644	208,093
Interest	<u>2,752</u>	<u>1,599</u>
Total expenses	<u>7,659,711</u>	<u>7,595,007</u>
Decrease in net position	(1,003,199)	(965,837)
Net position at beginning of year	<u>143,229</u>	<u>1,109,066</u>
Net position (deficit) at end of year	<u>\$ (859,970)</u>	<u>\$ 143,229</u>

Governmental activities decreased the District's net position by \$1,003,199. Key elements contributing to this net change are summarized below.

Revenue: For the year ending December 31, 2014, total revenue from governmental activities increased by \$27,342, or 0.41%.

Total program revenues, which include charges for services as well as contributions and grants, increased by \$84,995.

General revenues, which includes property taxes, personal property replacement taxes, investment income, and other income decreased by \$57,653, due mostly to a decrease in property taxes.

Expenses: Expenses from governmental activities increased by \$64,704. Fire and rescue expenses and emergency medical service expenses had a combined increase of \$54,000.

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.

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,716,090, a decrease of \$302,087 in comparison with the prior year. 6.6%, or \$112,785, of the fund balance is restricted due to external limitations on its use. 96.3%, or \$1,651,954, has been assigned, meaning that there are limitations on its intended use. The District had an unassigned fund deficit of (\$48,649) at December 31, 2014.

The General Fund is the main operating fund of the District. At the end of the current fiscal year, the General Fund had no unassigned fund balance. Total fund balance of the General Fund was \$970,872. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned and total fund balance to total fund expenditures. Total general fund expenditures for 2014 were \$5,063,419. Unassigned fund balance represents 0% of these General Fund expenditures, while total fund balance represents 19.2% of that same amount.

Budgetary Highlights

The 2014 annual expenditure budget for the District's General Fund identified the budgeted level of spending at \$4,267,200. Actual expenditures were higher than budgeted expenditures by approximately 18.7%, or \$796,219. Compensation and benefits expenditures for the year were \$461,718 higher than anticipated.

General Fund revenues were anticipated to be \$4,236,200 for the current year. Actual revenues were \$296,700, or 7.0%, higher than anticipated. The most significant difference between estimated revenues and actual revenues was the amount received for property tax revenue.

The 2014 annual expenditure budget for the District's Ambulance Fund identified the budgeted level of spending at \$1,980,000. Actual expenditures were lower than budgeted expenditures by approximately 0.14%, or \$2,673. Employee benefits for the year were \$56,749 less than anticipated.

Ambulance Fund revenues were anticipated to be \$1,980,000 for the current year. Actual revenues were \$206,344, or 10.4%, less than anticipated. The most significant difference between estimated revenues and actual revenues was the amount received for property tax revenue.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of December 31, 2014 amounts to \$2,146,956 (net of accumulated depreciation). This investment in capital assets included land, buildings and improvements, apparatus and vehicles, and equipment. The net increase in the District's investment in capital assets for the current fiscal year was \$420,504.

**North Palos Fire Protection District, Illinois
Capital Assets (net of accumulated depreciation)
December 31, 2014 and 2013**

	2014	2013
Land	\$ 290,700	\$ 290,700
Buildings and improvements	420,480	444,240
Apparatus and vehicles	1,292,805	838,388
Equipment	142,971	153,124
Total capital assets	<u>\$ 2,146,956</u>	<u>\$ 1,726,452</u>

Additional information on the District's capital assets can be found in the notes to basic financial statements.

Long-Term Debt

The District has outstanding notes payable in the amount of \$505,348 at the end of the current year. Also, the District has obligations related to employee benefits at December 31, 2014 of \$4,217,668. Additional information on the District's long-term debt can be found in the notes to basic financial statements.

Economic Factors and Next Year's Budget and Rates

The District's primary revenue source is property taxes, representing approximately 58% of total revenue. The Property Tax Extension Limitation Law allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction, and voter-approved rate increases.

Budgeted revenue for 2015 is \$7,401,000. Property taxes are assumed to increase for existing property by the Consumer Price Index of 3% and new construction property of 3%. Other sources of budgeted revenue include fees for ambulance and other miscellaneous services.

Budgeted expenditures for 2015 are \$7,514,616. Expenditures include salaries and benefits to maintain staffing levels; facility expenses to operate and maintain existing buildings; maintenance expenses to maintain existing apparatus; purchase of apparatus; debt payments; and other miscellaneous expenditures.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Finance Director
North Palos Fire Protection District
10629 S. Roberts Road
Palos Hills, Illinois 60465

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014**

ASSETS

Cash and investments	\$ 1,608,609
Receivables, net of allowance for uncollectibles:	
Property taxes	4,238,704
Accounts	477,880
Capital assets not being depreciated:	
Land	290,700
Capital assets net of accumulated depreciation:	
Buildings and improvements	420,480
Apparatus and vehicles	1,292,805
Equipment	<u>142,971</u>
Total assets	<u>8,472,149</u>

LIABILITIES

Accounts payable and other current liabilities	356,079
Due to Pension Trust Fund	25,764
Noncurrent liabilities:	
Due within one year	128,754
Due in more than one year	<u>4,594,262</u>
Total liabilities	<u>5,104,859</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	<u>4,227,260</u>
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NET POSITION (DEFICIT)

Net investment in capital assets	1,643,731
Restricted for:	
Foreign fire	42,554
Tort immunity	2,994
Other purposes	67,237
Unrestricted	<u>(2,616,486)</u>
Total net position (deficit)	<u>\$ (859,970)</u>

See notes to basic financial statements.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

	<u>Expenses</u>	<u>Program Revenues Charges for Service</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
Functions/programs:			
Governmental activities:			
Fire and rescue	\$ 4,940,674	\$ 2,139,386	\$ (2,801,288)
Emergency medical service	2,498,641	549,739	(1,948,902)
General government	217,644	-	(217,644)
Interest expense	2,752	-	(2,752)
Total governmental activities	<u>\$ 7,659,711</u>	<u>\$ 2,689,125</u>	<u>(4,970,586)</u>
General revenues:			
Taxes:			
Property			3,905,491
Personal property replacement			19,766
Foreign fire insurance			24,411
Investment income			1,380
Other income			16,339
Total general revenues			<u>3,967,387</u>
Change in net position			(1,003,199)
Net position at beginning of year			143,229
Net position (deficit) at end of year			<u>\$ (859,970)</u>

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General</u>	<u>Ambulance</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 1,175,459	\$ 386,474	\$ 46,676	\$ 1,608,609
Receivables:				
Property taxes	2,404,925	1,429,075	404,704	4,238,704
Accounts	-	477,880	-	477,880
Due from other funds	51,146	-	-	51,146
Total assets	<u>\$ 3,631,530</u>	<u>\$ 2,293,429</u>	<u>\$ 451,380</u>	<u>\$ 6,376,339</u>
LIABILITIES				
Accounts payable	\$ 31,989	\$ 20,685	\$ 2,790	\$ 55,464
Accrued costs	204,095	68,232	28,288	300,615
Due to other funds	25,764	-	51,146	76,910
Total liabilities	261,848	88,917	82,224	432,989
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	2,398,810	1,424,930	403,520	4,227,260
FUND BALANCES (DEFICIT)				
Restricted	98,500	-	14,285	112,785
Assigned	872,372	779,582	-	1,651,954
Unassigned	-	-	(48,649)	(48,649)
Total fund balances (deficit)	970,872	779,582	(34,364)	1,716,090
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 3,631,530</u>	<u>\$ 2,293,429</u>	<u>\$ 451,380</u>	<u>\$ 6,376,339</u>

See notes to basic financial statements.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	1,716,090
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		2,146,956
Long-term liabilities are not due and payable in the current year and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Notes payable	\$	(505,348)
Pension benefit obligation		(2,437,650)
Other post-employment benefit obligation		(1,386,277)
Compensated absences		<u>(393,741)</u>
Total		<u>(4,723,016)</u>
Net position (deficit) of governmental activities	\$	<u>(859,970)</u>

See notes to basic financial statements.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Ambulance</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 2,332,868	\$ 1,222,667	\$ 349,956	\$ 3,905,491
Intergovernmental revenue	1,578,027	-	-	1,578,027
Charges for service	561,359	549,739	-	1,111,098
Investment income	1,380	-	-	1,380
Personal property replacement taxes	19,766	-	-	19,766
Foreign fire insurance	24,411	-	-	24,411
Other revenues	15,089	1,250	-	16,339
	<u>4,532,900</u>	<u>1,773,656</u>	<u>349,956</u>	<u>6,656,512</u>
Total revenues				
Expenditures:				
Current:				
Fire and rescue	4,141,554	-	274,678	4,416,232
Emergency medical service	289,567	1,846,003	43,049	2,178,619
General government	118,985	35,754	37,578	192,317
Capital outlay:				
Fire and rescue	453,832	-	-	453,832
Emergency medical service	-	95,570	-	95,570
Debt service:				
Principal	56,729	-	-	56,729
Interest	2,752	-	-	2,752
	<u>5,063,419</u>	<u>1,977,327</u>	<u>355,305</u>	<u>7,396,051</u>
Total expenditures				
Deficiency of revenues over expenditures	(530,519)	(203,671)	(5,349)	(739,539)
Other financing sources:				
Proceeds from note payable	437,452	-	-	437,452
Net change in fund balances (deficit)	(93,067)	(203,671)	(5,349)	(302,087)
Fund balances (deficit) at beginning of year	<u>1,063,939</u>	<u>983,253</u>	<u>(29,015)</u>	<u>2,018,177</u>
Fund balances (deficit) at end of year	<u>\$ 970,872</u>	<u>\$ 779,582</u>	<u>\$ (34,364)</u>	<u>\$ 1,716,090</u>

See notes to basic financial statements.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

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

Net change in fund balances (deficit) - total governmental funds	\$	(302,087)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlays (\$549,402) exceeded depreciation (\$128,898) in the current period.		420,504
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Proceeds from notes payable provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(437,452)
---	--	-----------

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

Increase in pension benefit obligation	\$	(417,999)	
Increase in other post-employment benefit obligation		(301,371)	
Increase in compensated absences		<u>(21,523)</u>	

Total		(740,893)
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		<u>56,729</u>
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Change in net position of governmental activities	\$	<u>(1,003,199)</u>
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See notes to basic financial statements.

NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2014

	<u>General Fund</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes	\$ 1,983,000	\$ 2,332,868	\$ 349,868
Intergovernmental revenue	1,550,200	1,578,027	27,827
Charges for service	600,000	561,359	(38,641)
Investment income	1,000	1,380	380
Personal property replacement taxes	19,000	19,766	766
Foreign fire insurance	14,000	24,411	10,411
Other revenues	69,000	15,089	(53,911)
	<u>4,236,200</u>	<u>4,532,900</u>	<u>296,700</u>
Total revenues			
Expenditures:			
Current:			
Compensation and salaries	2,915,350	2,976,299	(60,949)
Employee benefits	468,000	868,769	(400,769)
Outside services	126,950	116,484	10,466
Administrative	38,900	29,307	9,593
Dues and fees	6,100	21,012	(14,912)
Education and training	15,400	19,338	(3,938)
Insurance	248,700	252,578	(3,878)
Equipment and maintenance	158,250	167,866	(9,616)
Buildings and grounds	85,400	95,001	(9,601)
Other	-	3,452	(3,452)
Capital outlay	174,750	453,832	(279,082)
Debt service:			
Principal	26,200	56,729	(30,529)
Interest	3,200	2,752	448
	<u>4,267,200</u>	<u>5,063,419</u>	<u>(796,219)</u>
Total expenditures			
Deficiency of revenues over expenditures	(31,000)	(530,519)	(499,519)
Other financing sources:			
Proceeds from note payable	-	437,452	437,452
Net change in fund balances	(31,000)	(93,067)	(62,067)
Fund balances at beginning of year	<u>1,063,939</u>	<u>1,063,939</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,032,939</u>	<u>\$ 970,872</u>	<u>\$ (62,067)</u>

See notes to basic financial statements.

Ambulance Fund

<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
\$ 1,380,000	\$ 1,222,667	\$ (157,333)
-	-	-
600,000	549,739	(50,261)
-	-	-
-	-	-
-	1,250	1,250
<u>1,980,000</u>	<u>1,773,656</u>	<u>(206,344)</u>
1,385,850	1,395,346	(9,496)
258,000	201,251	56,749
116,350	114,813	1,537
13,100	10,776	2,324
4,100	3,972	128
4,600	4,607	(7)
-	-	-
106,500	113,391	(6,891)
35,300	37,601	(2,301)
-	-	-
34,900	95,570	(60,670)
20,000	-	20,000
<u>1,300</u>	<u>-</u>	<u>1,300</u>
<u>1,980,000</u>	<u>1,977,327</u>	<u>2,673</u>
-	(203,671)	(203,671)
-	-	-
-	(203,671)	(203,671)
<u>983,253</u>	<u>983,253</u>	<u>-</u>
<u>\$ 983,253</u>	<u>\$ 779,582</u>	<u>\$ (203,671)</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF NET POSITION
PENSION TRUST FUND
DECEMBER 31, 2014**

ASSETS

Cash	\$ 538,159
Accrued interest receivable	92,168
Due from other funds	25,764
Investments:	
Corporate bonds	2,284,165
GNMA	10,182
Municipal bonds	644,072
Mutual funds	6,202,621
U.S. government agency notes	2,336,543
U.S. Treasury securities	<u>204,748</u>
 Total assets	 <u>\$ 12,338,422</u>

NET POSITION

Net position restricted for pensions	<u>\$ 12,338,422</u>
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See notes to basic financial statements.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUND
YEAR ENDED DECEMBER 31, 2014**

Additions:	
Contributions:	
Employer	\$ 528,580
Member	322,894
Buyback	41,885
Other	<u>50</u>
Total contributions	<u>893,409</u>
Investment earnings:	
Investment income	557,262
Investment expense	<u>(49,167)</u>
Net investment earnings	<u>508,095</u>
Total additions	<u>1,401,504</u>
Deductions:	
Benefit payments	348,756
Refund of member contributions	9,039
Administrative expense	<u>16,707</u>
Total deductions	<u>374,502</u>
Net increase in net position	1,027,002
Net position at beginning of year	<u>11,311,420</u>
Net position at end of year	<u>\$ 12,338,422</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of North Palos Fire Protection District, Illinois (the "District"). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The District does not engage in any business-type activities.

B. Reporting Entity

The District provides fire, rescue, emergency medical services and general administrative services. The District entered into an intergovernmental agreement with the Village of Worth, Illinois to take over fire and emergency medical services within the Village effective January 1, 2009. The District charges an annual fee to the Village in accordance with the agreement.

The accompanying financial statements present the District and its component units, entities for which the government is considered to be financially accountable. Fiduciary-type component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, the fiduciary-type component unit is appropriately presented as a fund of the District.

Fiduciary-type component unit. The District's fiduciary-type component unit consists of the North Palos Fire Protection District Firefighters' Pension Fund ("FPF").

The District's sworn firefighters participate in the FPF. FPF functions for the benefit of these employees and is governed by a pension board. The District and the FPF participants are obligated to fund all FPF costs based upon actuarial valuations. The state of Illinois is authorized to establish benefit levels and the District is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Although it is legally separate from the District, the FPF is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the District's sworn firefighters. The FPF is reported as a pension trust fund.

C. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary-type component unit. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds. The remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District has the following major governmental funds:

The General Fund is the District's primary operating fund. It is comprised of two subfunds: the Corporate Fund and the Tort Liability Fund. The Corporate Fund accounts primarily for the direct costs of fire suppression and an allocation of administration costs. The Tort Liability Fund accounts for all costs of insurance and risk management.

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

The District has the following nonmajor governmental funds:

Special revenue funds:

This fund type is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes other than debt service or capital projects. The District's nonmajor special revenue funds are the Illinois Municipal Retirement Fund; the Social Security Fund; the Audit Fund; and the Emergency, Rescue, Crew and Equipment Fund.

Additionally, the District reports the following fiduciary fund type:

The Pension Trust Fund accumulates resources for the benefit of the members of the pension fund.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Additionally, property taxes are recognized on the current year's levy in conjunction with the amount budgeted by the Board of Trustees for the current year with the unrecognized amount being recorded as a deferred inflow of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for service, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The pension trust fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

F. Budgetary Information

1. Budgetary Basis of Accounting

An annual budget and appropriation is adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds.

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

1. 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, special revenue and pension trust funds.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance. The budget for the year ended December 31, 2014 was adopted through the passage of ordinance number 2013-09 on December 17, 2013.
4. The Chief is authorized to transfer appropriated amounts between line items within funds with proper Board approval.
5. Formal appropriation integration is employed as a management control device during the year.
6. Appropriation authority lapses at year-end.
7. State law requires that "expenditures be made in conformity with appropriation/budget." The level of legal control is generally considered the entire appropriation.
8. Budgeted revenue amounts are as originally adopted. Budgeted expenditure amounts reported in the financial statements represent the working budget as adopted. The appropriation as adopted for each fund is as follows:

General Fund:	
Corporate subfund	\$ 4,071,320
Tort Liability subfund	638,000
Special revenue funds:	
Ambulance	2,178,000
Audit	22,000
Emergency, Rescue, Crew and Equipment	220,000
Illinois Municipal Retirement	19,250
Social Security	151,800
Fiduciary fund:	
Pension Trust	591,800

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

2. Excess of Expenditures over Working Budget

The following fund had an excess of actual expenditures over the working budget amount for the year ended December 31, 2014:

Fund	Budget	Actual	Variance
Major governmental fund:			
General Fund:			
Corporate subfund	\$ 3,687,200	\$ 4,484,286	\$ (797,086)

The overexpenditure in the Corporate subfund was funded by greater than anticipated revenue, proceeds from a note payable, and available fund balance.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans and life insurance company contracts.

The District invests in the Illinois Funds Investment Pool (Pool). In accordance with state law, the Pool operates in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the state Treasurer, although it is not registered with the SEC.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amounts which reasonably estimate fair value.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

3. *Receivables*

All property tax and accounts receivables are shown net of an allowance for uncollectibles. The allowance for uncollectible property taxes is \$130,740 (3% of the tax levy as is recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk). The allowance for uncollectible accounts receivable of \$130,000 is based on previous collection experience.

4. *Capital Assets*

Capital assets, which include land, buildings and improvements, apparatus, vehicles, and equipment, reported in the government-wide financial statements are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements, apparatus, vehicles, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	50
Apparatus	10 - 25
Vehicles	10
Equipment	10 - 40

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position and/or balance sheet 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 position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

In addition to liabilities, the statement of net position and/or balance sheet 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 position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the government-wide statement of net position and governmental funds balance sheet. The District reports unavailable revenue from one source - property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. *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 premiums and discounts, as well as gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred inflows (outflows) of resources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental fund types 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 other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Net Position Flow Assumption*

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

8. *Fund Balance Flow Assumptions*

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

9. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Trustees may by resolution authorize an individual or body to assign fund balance. The Board of Trustees has not adopted such a resolution. The Board of Trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and Expenditures/Expenses

1. *Program revenues*

Amounts reported as 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. *Property Taxes*

Property taxes are levied as of January 1 on property values assessed on the same date. The tax levy is divided into two billings: the first billing (mailed on or about February 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on or about August 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed. The District receives significant collections of property taxes in the month following the due date.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

3. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. The liability for sick pay is reported as incurred in the government-wide financial statements. A liability for sick pay benefits is reported in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

I. *Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could differ from those estimates.

J. *Comparative Data*

Comparative data for the prior year have been presented in the combining and individual fund financial statements and schedules in order to provide an understanding of the changes in financial position and operations of the funds.

K. *Reclassifications*

Certain amounts as previously reported for the prior year have been reclassified to conform to the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. *Deficit Fund Balances*

The following funds had deficit fund balances at December 31, 2014:

Nonmajor governmental funds:	
Social Security Fund	\$ (19,272)
Audit Fund	(12,227)
Emergency, Rescue, Crew and Equipment Fund	(17,150)

The District plans to transfer funds from other funds to eliminate these deficits.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk. As of December 31, 2014, \$1,240,784 of the District's bank balances of \$2,071,495 was uninsured and collateralized with securities held by the pledging financial institutions.

Investments

The District had the following investments as of December 31, 2014:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Average Credit Quality Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
Governmental funds (3):			
Illinois Funds	<u>\$ 165,365</u>	AAAm	< 1
Fiduciary fund:			
Corporate bonds	\$ 2,284,165	Aaa - Baa2	5
GNMA	10,182	N/A	4
Municipal bonds *	644,072	Aa1 - A1	5
Mutual funds	6,202,621	N/A	N/A
U.S. government agency notes	2,336,543	Aaa	5
U.S. Treasury securities	<u>204,748</u>	N/A	2
Total	<u>\$ 11,682,331</u>		

(1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.

(2) *Interest Rate Risk* is estimated using weighted average years to maturity. N/A indicates not applicable.

(3) Pooled cash and investments are reported as *cash and investments*. Investments in the pool are not separately reported in the financial statements as ownership of investments cannot be assigned to individual funds.

* Some investments are not rated

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Investment Policies

The District's investments are subject to the following risks:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The District does not have a specific policy to address the above risks.

B. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 2014 were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental funds:		
General Fund:		
Corporate subfund	\$ 51,146	\$ 25,764
Nonmajor governmental funds	<u>-</u>	<u>51,146</u>
Total governmental funds	51,146	76,910
Fiduciary fund:		
Pension Trust Fund	<u>25,764</u>	<u>-</u>
Total all funds	<u>\$ 76,910</u>	<u>\$ 76,910</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 290,700	\$ -	\$ -	\$ 290,700
Capital assets, being depreciated:				
Buildings and improvements	1,228,000	-	-	1,228,000
Apparatus and vehicles	2,237,363	549,402	-	2,786,765
Equipment	<u>268,573</u>	<u>-</u>	<u>-</u>	<u>268,573</u>
Total capital assets, being depreciated	<u>3,733,936</u>	<u>549,402</u>	<u>-</u>	<u>4,283,338</u>
Less accumulated depreciation for:				
Buildings and improvements	783,760	23,760	-	807,520
Apparatus and vehicles	1,398,975	94,985	-	1,493,960
Equipment	<u>115,449</u>	<u>10,153</u>	<u>-</u>	<u>125,602</u>
Total accumulated depreciation	<u>2,298,184</u>	<u>128,898</u>	<u>-</u>	<u>2,427,082</u>
Total capital assets, being depreciated, net	<u>1,435,752</u>	<u>420,504</u>	<u>-</u>	<u>1,856,256</u>
Governmental activities capital assets, net	<u>\$ 1,726,452</u>	<u>\$ 420,504</u>	<u>\$ -</u>	<u>\$ 2,146,956</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Fire and rescue	\$ 65,162
Emergency medical service	57,083
General government	<u>6,653</u>
Total depreciation expense - governmental activities	<u>\$ 128,898</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

D. Long-term Liabilities

Long-term liability activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes payable	\$ 124,625	\$ 437,452	\$ 56,729	\$ 505,348	\$ 114,196
Pension benefit obligation	2,019,651	946,579	528,580	2,437,650	-
Other post-employment benefit obligation	1,084,906	337,473	36,102	1,386,277	-
Compensated absences	<u>372,218</u>	<u>46,223</u>	<u>24,700</u>	<u>393,741</u>	<u>14,558</u>
Total	<u>\$ 3,601,400</u>	<u>\$ 1,767,727</u>	<u>\$ 646,111</u>	<u>\$ 4,723,016</u>	<u>\$ 128,754</u>

Notes Payable

Note payable to the state of Illinois for the purchase of a fire truck. The note is non-interest bearing and due in annual installments of \$6,129 through November, 2024.

Future maturities of the note payable are as follows:

2015	\$ 6,129
2016	6,129
2017	6,129
2018	6,129
2019	6,129
2020 - 2024	<u>30,641</u>
Total	<u>\$ 61,286</u>

Note payable to a finance company, due in monthly installments of \$1,015 including interest at 2.75%, with the final payment due in January, 2017.

Future maturities of the note payable are as follows:

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 11,675	\$ 504	\$ 12,179
2016	11,966	179	12,145
2017	<u>985</u>	<u>-</u>	<u>985</u>
Total	<u>\$ 24,626</u>	<u>\$ 683</u>	<u>\$ 25,309</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Note payable to a finance company, due in monthly installments of \$6,079 including interest at 2.625%, with the final payment due in December, 2019.

Future maturities of the note payable are as follows:

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 64,759	\$ 8,189	\$ 72,948
2016	66,479	6,469	72,948
2017	68,245	4,703	72,948
2018	70,059	2,889	72,948
2019	<u>71,970</u>	<u>1,028</u>	<u>72,998</u>
Total	<u>\$ 341,512</u>	<u>\$ 23,278</u>	<u>\$ 364,790</u>

Note payable to a finance company, due in monthly installments of \$2,781 including interest at 2.73%, with the final payment due in May, 2017.

Future maturities of the note payable are as follows:

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 31,633	\$ 1,733	\$ 33,366
2016	32,508	858	33,366
2017	<u>13,783</u>	<u>94</u>	<u>13,877</u>
Total	<u>\$ 77,924</u>	<u>\$ 2,685</u>	<u>\$ 80,609</u>

Total annual debt service requirements to maturity for all governmental activity debt outstanding are as follows:

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 114,196	\$ 10,426	\$ 124,622
2016	117,082	7,506	124,588
2017	89,142	4,797	93,939
2018	76,188	2,889	79,077
2019	78,099	1,028	79,127
2020 - 2024	<u>30,641</u>	<u>-</u>	<u>30,641</u>
Total	<u>\$ 505,348</u>	<u>\$ 26,646</u>	<u>\$ 531,994</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Legal Debt Margin

The legal debt margin of the District as of December 31, 2014 is determined as follows:

Assessed valuation - 2013 tax year (most recent year available)	<u>\$ 386,038,884</u>
Statutory debt limitation (5.75% of assessed valuation)	\$ 22,197,236
Less total debt outstanding	<u>505,348</u>
Legal debt margin	<u>\$ 21,691,888</u>

E. Employee Retirement and Postemployment Benefit Plans

The District maintains a single-employer, defined benefit pension plan (Firefighters' Pension Fund) which covers its qualified Fire Department employees and participates in the statewide Illinois Municipal Retirement Fund, an agent multiple-employer defined benefit public employee pension plan which covers substantially all of the remaining qualified District employees. The District also administers the Health Insurance Plan for Retired Employees that provides limited health care insurance coverage for eligible retired employees. The information presented below is the most current information available as of December 31, 2014.

1. Firefighters' Pension Plan

Plan Administration. The Firefighters' Pension Fund Board of Trustees administers the Firefighters' Pension Plan, a single-employer defined benefit pension plan that provides pension benefits for the qualified Firefighter employees of the North Palos Fire Protection District, Illinois. The defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature.

The Firefighters' Pension Fund Board of Trustees consists of five members. Two members are appointed by the president of the board of trustees, two members are elected by the active sworn members, and one member is elected by retired and/or disabled participants.

The District accounts for the plan as a pension trust fund and a stand alone report is not issued by the Firefighters' Pension Fund.

Plan Membership. At December 31, 2014, the Firefighters' Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not receiving benefits	1
Active plan members	<u>32</u>
Total	<u>41</u>
Number of participating employers	<u>1</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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

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. Firefighter's salary for pension purposes is capped at \$106,800, plus the lesser of one-half 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 10 years of service may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 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 1/2 of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the Firefighters Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the District has until the year 2040 to fund 90% the past service cost for the Firefighters' Pension Plan. For the year ended December 31, 2014, the District's contribution was 17.82% of covered payroll.

Investment Policy. The Firefighters' Pension Plan investment program is derived from the terms and provisions of the Illinois Compiled Statutes (ILCS). ILCS requires the Firefighters' Pension Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board. During the year, no changes to the investment policy were approved by the Board of Trustees.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

The following investments are allowed as limited by the provisions of the ILCS:

- Direct obligations of the United States of America
- Obligations that are fully guaranteed or insured by the United States of America
- Obligations of agencies of the United States of America
- Insured savings accounts or certificates of deposit issued by banks or savings and loan associations
- Insured investments in credit unions
- Bonds of the state of Illinois
- Pooled accounts managed by the Illinois Public Treasurer's Investment Pool
- Funds and pooled accounts managed, operated and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies
- Obligations of any county, township, or municipal corporation of the state of Illinois
- Money market mutual funds
- General and separate accounts of life insurance companies
- Mutual funds
- Common and preferred stocks

The following was the asset allocation policy adopted by the Board of Trustees as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Core fixed income	44.8 %
Domestic equity	44.7
Cash	4.4
Real estate	4.0
High yield fixed income	1.1
International equity	<u>1.0</u>
Total	<u>100.0 %</u>

Rate of Return. For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 4.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Net Pension Liability of the District. The components of the net pension liability of the District as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$ 18,657,214
Plan fiduciary net position	<u>(12,340,542)</u>
District's net pension liability	<u>\$ 6,316,672</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>66.14 %</u>

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry-age normal
- Inflation - 2.50%
- Salary increases - 5.50%
- Investment rate of return - 7.00%, net of expenses
- Asset valuation method - Market value

Mortality rates for active employees and pensioners were based on the RP-2000 CHBCA Mortality Table.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Firefighters' Pension Plan's target asset allocation as of December 31, 2014 (see the discussion of the Firefighters Pension Plan's investment policy) are summarized in the following table:

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Core fixed income	5.1 %
Domestic equity	7.6
International equity	7.8
Real estate	6.8
Other	5.5

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the District, calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1.0 percentage-point lower (6.00%) or 1.0 percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's net pension liability	<u>\$ 9,186,469</u>	<u>\$ 6,316,672</u>	<u>\$ 3,949,428</u>

Annual Pension Cost. The significant actuarial assumptions are as follows:

Actuarial valuation date	December 31, 2012
Actuarial cost method	Entry age normal cost
Asset valuation method	Market value
Amortization method	Level percentage of pay, closed
Amortization period	30 years
Rate of return on present and future assets *	7.00%
Projected salary increases *	5.50%
* Includes inflation at	3.00%
Cost-of-living adjustments	3.00% per year

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

The District's annual pension cost and net pension obligation for the year ended December 31, 2014 were as follows:

Annual required contribution	\$ 834,526
Interest on net pension obligation	141,376
Adjustment to annual required contribution	<u>(29,323)</u>
Annual pension cost	946,579
Contributions made	<u>528,580</u>
Increase in net pension obligation	417,999
Net pension obligation at beginning of year	<u>2,019,651</u>
Net pension obligation at end of year	<u><u>\$ 2,437,650</u></u>

The District's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for the three most recent years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/14	\$ 946,579	55.84 %	\$ 2,437,650
12/31/13	913,745	57.30	2,019,651
12/31/12	837,234	38.20	1,629,664

Funded Status and Funding Progress. As of the December 31, 2012 actuarial valuation date, the Plan was 65% funded. The actuarial accrued liability for benefits was \$14,999,010 and the actuarial value of assets was \$9,798,061, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,200,949. The covered payroll (annual payroll of active employees covered by the plan) was \$2,584,547 and the ratio of the UAAL to the covered payroll was 201%.

The required supplementary information following the notes to basic financial statements presents additional information related to the funded status of the Plan.

2. Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2014 was 17.88%. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The District's contribution for calendar year 2014 was \$17,351.

Three Year Trend Information for the Regular Plan.

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/14	\$ 17,351	100.00 %	\$ -
12/31/13	15,392	100.00	-
12/31/12	14,178	100.00	-

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 0.00% funded. The actuarial accrued liability for benefits was \$338,352 and the actuarial value of the assets was \$(196,067), resulting in an underfunded actuarial accrued liability (UAAL) of \$534,419. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$97,043 and the ratio of the UAAL to the covered payroll was 551%.

The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

3. Health Insurance Plan for Retired Employees

Plan Description. The Health Insurance Plan for Retired Employees (HIPRE) is a single-employer defined benefit healthcare plan administered by the District. The District provides limited health care insurance coverage for its eligible retired employees. Such coverage is provided for retired employees until they reach age 65. Retired firefighters are required to pay 25% of the premiums; all other employees pay 60% of the premiums for such coverage and the District pays the balance of the costs.

Funding Policy. The contribution requirements are established by the District, using an actuarial study that is based on projected pay-as-you-go financing. For fiscal year 2014, the District contributed \$36,102 to the plan. Plan members receiving benefits contributed \$0.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to HIPRE.

Annual required contribution	\$ 330,241
Interest on net OPEB obligation	43,396
Adjustment to annual required contribution	<u>(36,164)</u>
Annual OPEB cost (expense)	337,473
Contributions made	<u>36,102</u>
Change in net OPEB obligation	301,371
Net OPEB obligation at beginning of year	<u>1,084,906</u>
Net OPEB obligation at end of year	<u><u>\$ 1,386,277</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/14	\$ 337,473	10.70 %	\$ 1,386,277
12/31/13	225,929	5.22	1,084,906
12/31/12	270,973	4.35	870,763

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,647,345, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,647,345. The covered payroll (annual payroll of active employees covered by the plan) was \$2,676,626 and the ratio of the UAAL to covered payroll was 98.9%.

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

In the December 31, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.50% initially, reduced by decrements to an ultimate rate of 5.50%. The UAAL is being amortized as a level percentage of projected pay on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

F. Fund Balances

As of December 31, 2014, fund balances were comprised of the following:

	General Fund	Ambulance Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted for:				
Foreign fire	\$ 42,554	\$ -	\$ -	\$ 42,554
Retirement benefits	-	-	14,285	14,285
Tort immunity	2,994	-	-	2,994
Traffic preempt co-op	<u>52,952</u>	<u>-</u>	<u>-</u>	<u>52,952</u>
Total restricted	<u>98,500</u>	<u>-</u>	<u>14,285</u>	<u>112,785</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assigned to:				
Benefit buyback	510,200	175,800	-	686,000
Capital expenditures	91,159	232,923	-	324,082
Retiree health insurance	271,013	208,014	-	479,027
Other purposes	-	162,845	-	162,845
Total assigned	<u>872,372</u>	<u>779,582</u>	<u>-</u>	<u>1,651,954</u>
Unassigned	<u>-</u>	<u>-</u>	<u>(48,649)</u>	<u>(48,649)</u>
Total fund balances (deficit)	<u>\$ 970,872</u>	<u>\$ 779,582</u>	<u>\$ (34,364)</u>	<u>\$ 1,716,090</u>

H. 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; injury to employees; employee medical coverage; and natural disasters. In order to protect against such losses, the District has purchased insurance from various sources. Insurance policies for coverage other than workers' compensation were purchased from private insurance companies. Workers' compensation coverage was obtained by through the Illinois Public Risk Fund. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in the current year or any of the past three years.

I. Tort Immunity Expenditures

Tort immunity expenditures for the year ended December 31, 2014 are summarized as follows:

Personnel	\$ 310,017
Liability and workers' compensation insurance	252,578
Buildings and grounds	660
Education and training	7,551
Other	<u>8,327</u>
Total	<u>\$ 579,133</u>

J. Subsequent Events

Management has evaluated subsequent events through November 17, 2015, which is the date the financial statements were available to be issued.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

K. New Accounting Standard

The Governmental Accounting Standards Board recently issued Statement No. 68 - *Accounting and Financial Reporting for Pensions*, which will be effective for fiscal year 2015. This Statement revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The effects on the financial statements of adopting the new standard are not currently known by the District.

REQUIRED SUPPLEMENTARY INFORMATION

**EMPLOYEE RETIREMENT AND POSTEMPLOYMENT
BENEFIT PLAN INFORMATION**

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
FIREFIGHTERS' PENSION PLAN
DECEMBER 31, 2014**

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

	2014*
Total pension liability:	
Service cost	\$ 847,651
Interest	1,037,408
Differences between expected and actual experience	1,429,162
Changes of assumptions	701,778
Benefit payments, including refunds of member contributions	(357,795)
Net change in total pension liability	3,658,204
Total pension liability at beginning of year	14,999,010
Total pension liability at end of year	\$ 18,657,214
Plan fiduciary net position:	
Contributions - employer	\$ 528,580
Contributions - member	366,950
Net investment income	508,096
Benefit payments, including refunds of member contributions	(357,795)
Administrative expense	(16,708)
Net change in plan fiduciary net position	1,029,123
Plan fiduciary net position at beginning of year	11,311,419
Plan fiduciary net position at end of year	\$ 12,340,542
District's net pension liability at end of year	\$ 6,316,672
Plan fiduciary net position as a percentage of total pension liability	66.14 %
Covered-employee payroll	\$ 2,965,866
District's net pension liability as a percentage of covered-employee payroll	213.0 %

* Information for December 31, 2014 is the only information that is currently available.

Notes to Schedule:

Changes in Assumptions. There was a change in actuarial assumptions to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates. The mortality rates, disability rates, turnover rates, and retirement rates were changed to the new rates most recently published by the Illinois Department of Insurance (September, 2012).

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
FIREFIGHTERS' PENSION PLAN
DECEMBER 31, 2014**

SCHEDULE OF DISTRICT CONTRIBUTIONS

	2014*
Actuarially determined contribution	\$ 692,538
Contributions in relation to the actuarially determined contribution	528,580
Contribution deficiency	\$ 163,958
Covered-employee payroll	\$ 2,965,866
Contributions as a percentage of covered-employee payroll	17.82 %

* Information for December 31, 2014 is the only information that is currently available.

Notes to Schedule:

Valuation Date. Actuarially determined contribution rates are calculated as of December 31, 2014.

Methods and Assumptions used to Determine Contribution Rates.

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	Market value
Inflation	2.5%
Salary increases	5.5%, average, including inflation
Investment rate of return	7.0%, compounded annually, net of pension plan investment expense, including inflation

SCHEDULE OF INVESTMENT RETURNS

	2014*
Annual money-weighted rate of return, net of investment expense	4.19 %

* Information for December 31, 2014 is the only information that is currently available.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION-
FIREFIGHTERS' PENSION FUND
DECEMBER 31, 2014**

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2012	\$ 9,798,061	\$ 14,999,010	\$ 5,200,949	65.32 %	\$ 2,584,547	201.23 %
December 31, 2010	8,067,377	11,893,977	3,826,600	67.83	2,376,761	161.00
December 31, 2009	6,937,672	10,166,183	3,228,511	68.24	2,322,562	139.01
December 31, 2008	5,530,776	8,774,511	3,243,735	63.03	1,442,830	224.82
December 31, 2007	5,938,427	7,979,845	2,041,418	74.42	1,416,413	144.13

Information provided above is the most current information available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
December 31, 2014	\$ 834,526	63.34 %
December 31, 2013	799,669	65.50
December 31, 2012	704,645	45.42
December 31, 2011	692,538	62.24
December 31, 2010	602,368	67.20
December 31, 2009	602,368	70.37

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION -
 ILLINOIS MUNICIPAL RETIREMENT FUND
 DECEMBER 31, 2014**

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2014	\$ (196,067)	\$ 338,352	\$ 534,419	0.00 %	\$ 97,043	550.70 %
December 31, 2013	(204,713)	290,353	495,066	0.00	100,998	490.17
December 31, 2012	564,665	746,691	182,026	75.62	80,969	224.81

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$(132,306). On a market basis, the funded ratio would be 0.00%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with North Palos Fire Protection District, Illinois. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION -
 HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES
 DECEMBER 31, 2014**

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2012	\$ 0	\$ 2,647,345	\$ 2,647,345	0.00 %	\$ 2,676,626	98.91 %
December 31, 2011	0	1,386,960	1,386,960	0.00	2,495,424	55.58

Information provided above is the most current information available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
December 31, 2014	\$ 330,241	10.93 %
December 31, 2013	220,123	5.35
December 31, 2012	220,123	5.35
December 31, 2011	197,673	5.96
December 31, 2010	195,786	6.02

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 COMBINING SCHEDULE OF GENERAL FUND
 BALANCE SHEET ACCOUNTS
 DECEMBER 31, 2014
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013**

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
ASSETS				
Cash and investments	\$ 1,157,173	\$ 18,286	\$ 1,175,459	\$ 1,090,904
Receivables:				
Property taxes receivable	2,005,324	399,601	2,404,925	2,460,534
Other	-	-	-	35,000
Due from other funds	51,146	-	51,146	52,124
Due from other governments	-	-	-	20,418
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,213,643</u>	<u>\$ 417,887</u>	<u>\$ 3,631,530</u>	<u>\$ 3,658,980</u>
LIABILITIES				
Accounts payable	\$ 29,076	\$ 2,913	\$ 31,989	\$ 12,656
Accrued costs	189,815	14,280	204,095	137,015
Due to other funds	25,764	-	25,764	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>244,655</u>	<u>17,193</u>	<u>261,848</u>	<u>149,671</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>2,001,110</u>	<u>397,700</u>	<u>2,398,810</u>	<u>2,445,370</u>
FUND BALANCES				
Restricted	95,506	2,994	98,500	116,212
Assigned	<u>872,372</u>	<u>-</u>	<u>872,372</u>	<u>947,727</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>967,878</u>	<u>2,994</u>	<u>970,872</u>	<u>1,063,939</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,213,643</u>	<u>\$ 417,887</u>	<u>\$ 3,631,530</u>	<u>\$ 3,658,980</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 COMBINING SCHEDULE OF GENERAL FUND
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2014
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Corporate</u>	<u>Tort Liability</u>	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
Revenues:				
Property taxes	\$ 1,777,004	\$ 555,864	\$ 2,332,868	\$ 2,364,735
Intergovernmental revenue	1,578,027	-	1,578,027	1,563,036
Charges for service	561,359	-	561,359	524,483
Investment income	1,380	-	1,380	5,688
Grant revenue	-	-	-	4,600
Personal property replacement taxes	19,766	-	19,766	19,201
Foreign fire insurance	24,411	-	24,411	19,554
Other revenues	15,089	-	15,089	13,666
	<u>3,977,036</u>	<u>555,864</u>	<u>4,532,900</u>	<u>4,514,963</u>
Total revenues				
Expenditures:				
Current:				
Compensation and salaries	2,666,282	310,017	2,976,299	3,223,984
Employee benefits	868,769	-	868,769	856,135
Outside services	111,565	4,919	116,484	135,051
Administrative	29,307	-	29,307	18,912
Dues and fees	21,012	-	21,012	5,633
Education and training	11,787	7,551	19,338	21,535
Insurance	-	252,578	252,578	276,292
Equipment and maintenance	164,458	3,408	167,866	177,348
Buildings and grounds	94,341	660	95,001	75,019
Other	3,452	-	3,452	19,536
Capital outlay	453,832	-	453,832	44,644
Debt service:				
Principal	56,729	-	56,729	41,421
Interest	2,752	-	2,752	1,599
	<u>4,484,286</u>	<u>579,133</u>	<u>5,063,419</u>	<u>4,897,109</u>
Total expenditures				
Deficiency of revenues over expenditures	(507,250)	(23,269)	(530,519)	(382,146)
Other financing sources:				
Proceeds from note payable	437,452	-	437,452	35,000
Net change in fund balances	(69,798)	(23,269)	(93,067)	(347,146)
Fund balances at beginning of year	<u>1,037,676</u>	<u>26,263</u>	<u>1,063,939</u>	<u>1,411,085</u>
Fund balances at end of year	<u>\$ 967,878</u>	<u>\$ 2,994</u>	<u>\$ 970,872</u>	<u>\$ 1,063,939</u>

CORPORATE FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
CORPORATE FUND
BALANCE SHEET
DECEMBER 31, 2014
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ 1,157,173	\$ 1,065,670
Receivables:		
Property taxes receivable	2,005,324	1,896,176
Other	-	35,000
Due from other funds	51,146	52,124
Due from other governments	<u>-</u>	<u>20,418</u>
 Total assets	 <u>\$ 3,213,643</u>	 <u>\$ 3,069,388</u>
LIABILITIES		
Accounts payable	\$ 29,076	\$ 12,628
Accrued costs	189,815	136,314
Due to other funds	<u>25,764</u>	<u>-</u>
 Total liabilities	 <u>244,655</u>	 <u>148,942</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>2,001,110</u>	<u>1,882,770</u>
FUND BALANCES		
Restricted	95,506	89,949
Assigned	<u>872,372</u>	<u>947,727</u>
 Total fund balances	 <u>967,878</u>	 <u>1,037,676</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 3,213,643</u>	 <u>\$ 3,069,388</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
CORPORATE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 1,403,000	\$ 1,777,004	\$ 374,004	\$ 2,152,157
Intergovernmental revenue	1,550,200	1,578,027	27,827	1,563,036
Charges for service	600,000	561,359	(38,641)	524,483
Investment income	1,000	1,380	380	5,396
Grant revenue	-	-	-	4,600
Personal property replacement taxes	19,000	19,766	766	19,201
Foreign fire insurance	14,000	24,411	10,411	19,554
Other revenues	<u>69,000</u>	<u>15,089</u>	<u>(53,911)</u>	<u>13,666</u>
Total revenues	<u>3,656,200</u>	<u>3,977,036</u>	<u>320,836</u>	<u>4,302,093</u>
Expenditures:				
Current:				
Compensation and salaries	2,603,150	2,666,282	(63,132)	3,208,057
Employee benefits	468,000	868,769	(400,769)	856,135
Outside services	122,350	111,565	10,785	126,564
Administrative	38,900	29,307	9,593	18,912
Dues and fees	6,100	21,012	(14,912)	5,633
Education and training	9,900	11,787	(1,887)	7,710
Equipment and maintenance	154,250	164,458	(10,208)	169,785
Buildings and grounds	85,400	94,341	(8,941)	74,194
Other	-	3,452	(3,452)	19,536
Capital outlay	169,750	453,832	(284,082)	44,644
Debt service:				
Principal	26,200	56,729	(30,529)	41,421
Interest	<u>3,200</u>	<u>2,752</u>	<u>448</u>	<u>1,599</u>
Total expenditures	<u>3,687,200</u>	<u>4,484,286</u>	<u>(797,086)</u>	<u>4,574,190</u>
Deficiency of revenues over expenditures	(31,000)	(507,250)	(476,250)	(272,097)
Other financing sources:				
Proceeds from note payable	<u>-</u>	<u>437,452</u>	<u>437,452</u>	<u>35,000</u>
Net change in fund balances	(31,000)	(69,798)	(38,798)	(237,097)
Fund balances at beginning of year	<u>1,037,676</u>	<u>1,037,676</u>	<u>-</u>	<u>1,274,773</u>
Fund balances at end of year	<u>\$ 1,006,676</u>	<u>\$ 967,878</u>	<u>\$ (38,798)</u>	<u>\$ 1,037,676</u>

TORT LIABILITY FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
TORT LIABILITY FUND
BALANCE SHEET
DECEMBER 31, 2014
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ 18,286	\$ 25,234
Property taxes receivable	<u>399,601</u>	<u>564,358</u>
Total assets	<u>\$ 417,887</u>	<u>\$ 589,592</u>
LIABILITIES		
Accounts payable	\$ 2,913	\$ 28
Accrued costs	<u>14,280</u>	<u>701</u>
Total liabilities	17,193	729
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	397,700	562,600
FUND BALANCES		
Restricted	<u>2,994</u>	<u>26,263</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 417,887</u>	<u>\$ 589,592</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
TORT LIABILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 580,000	\$ 555,864	\$ (24,136)	\$ 212,578
Investment income	-	-	-	292
Total revenues	<u>580,000</u>	<u>555,864</u>	<u>(24,136)</u>	<u>212,870</u>
Expenditures:				
Current:				
Compensation and salaries	312,200	310,017	2,183	15,927
Outside services	4,600	4,919	(319)	8,487
Education and training	5,500	7,551	(2,051)	13,825
Insurance	248,700	252,578	(3,878)	276,292
Equipment and maintenance	4,000	3,408	592	7,563
Buildings and grounds	-	660	(660)	825
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>580,000</u>	<u>579,133</u>	<u>867</u>	<u>322,919</u>
Deficiency of revenues over expenditures	-	(23,269)	(23,269)	(110,049)
Fund balances at beginning of year	<u>26,263</u>	<u>26,263</u>	<u>-</u>	<u>136,312</u>
Fund balances at end of year	<u>\$ 26,263</u>	<u>\$ 2,994</u>	<u>\$ (23,269)</u>	<u>\$ 26,263</u>

AMBULANCE FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 AMBULANCE FUND
 BALANCE SHEET
 DECEMBER 31, 2014
 WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ 386,474	\$ 479,201
Receivables:		
Property taxes	1,429,075	1,348,654
Accounts	<u>477,880</u>	<u>563,568</u>
Total assets	<u>\$ 2,293,429</u>	<u>\$ 2,391,423</u>
LIABILITIES		
Accounts payable	\$ 20,685	\$ 12,414
Accrued costs	<u>68,232</u>	<u>57,156</u>
Total liabilities	88,917	69,570
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	1,424,930	1,338,600
FUND BALANCES		
Assigned	<u>779,582</u>	<u>983,253</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,293,429</u>	<u>\$ 2,391,423</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 AMBULANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 1,380,000	\$ 1,222,667	\$ (157,333)	\$ 1,223,341
Charges for service	600,000	549,739	(50,261)	512,011
Investment income	-	-	-	2,449
Other revenues	-	1,250	1,250	2,340
	<u>1,980,000</u>	<u>1,773,656</u>	<u>(206,344)</u>	<u>1,740,141</u>
Total revenues				
Expenditures:				
Current:				
Compensation and salaries	1,385,850	1,395,346	(9,496)	1,284,787
Employee benefits	258,000	201,251	56,749	179,159
Outside services	116,350	114,813	1,537	86,033
Administrative	13,100	10,776	2,324	9,270
Dues and fees	4,100	3,972	128	4,301
Education and training	4,600	4,607	(7)	2,775
Equipment and maintenance	106,500	113,391	(6,891)	112,242
Buildings and grounds	35,300	37,601	(2,301)	30,921
Capital outlay	34,900	95,570	(60,670)	938
Debt service:				
Principal	20,000	-	20,000	-
Interest	1,300	-	1,300	-
	<u>1,980,000</u>	<u>1,977,327</u>	<u>2,673</u>	<u>1,710,426</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	-	(203,671)	(203,671)	29,715
Fund balances at beginning of year	<u>983,253</u>	<u>983,253</u>	<u>-</u>	<u>953,538</u>
Fund balances at end of year	<u>\$ 983,253</u>	<u>\$ 779,582</u>	<u>\$ (203,671)</u>	<u>\$ 983,253</u>

NONMAJOR GOVERNMENTAL FUNDS

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014**

	<u>Special Revenue Funds</u>			
	<u>Illinois Municipal Retirement</u>	<u>Social Security</u>	<u>Audit</u>	<u>Emergency, Rescue, Crew and Equipment</u>
ASSETS				
Cash and investments	\$ 14,228	\$ 32,016	\$ 432	\$ -
Property taxes receivable	<u>29,157</u>	<u>166,322</u>	<u>19,461</u>	<u>189,764</u>
Total assets	<u>\$ 43,385</u>	<u>\$ 198,338</u>	<u>\$ 19,893</u>	<u>\$ 189,764</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,790
Accrued costs	-	18,336	-	9,952
Due to other funds	<u>-</u>	<u>33,404</u>	<u>12,720</u>	<u>5,022</u>
Total liabilities	<u>-</u>	<u>51,740</u>	<u>12,720</u>	<u>17,764</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>29,100</u>	<u>165,870</u>	<u>19,400</u>	<u>189,150</u>
FUND BALANCE (DEFICITS)				
Restricted	14,285	-	-	-
Unassigned	<u>-</u>	<u>(19,272)</u>	<u>(12,227)</u>	<u>(17,150)</u>
Total fund balance (deficits)	<u>14,285</u>	<u>(19,272)</u>	<u>(12,227)</u>	<u>(17,150)</u>
Total liabilities, deferred inflows of resources, and fund balance (deficits)	<u>\$ 43,385</u>	<u>\$ 198,338</u>	<u>\$ 19,893</u>	<u>\$ 189,764</u>

**Total
Nonmajor
Governmental
Funds**

\$ 46,676

404,704

\$ 451,380

\$ 2,790
28,288

51,146

82,224

403,520

14,285

(48,649)

(34,364)

\$ 451,380

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (DEFICITS) -
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2014**

	<u>Special Revenue Funds</u>			
	<u>Illinois Municipal Retirement</u>	<u>Social Security</u>	<u>Audit</u>	<u>Emergency, Rescue, Crew and Equipment</u>
Revenues:				
Property taxes	\$ 16,919	\$ 133,420	\$ 18,143	\$ 181,474
Expenditures:				
Current:				
Compensation and salaries	-	-	-	177,928
Employee benefits	16,705	121,302	-	-
Outside services	-	-	17,815	-
Equipment and maintenance	-	-	-	21,555
Total expenditures	<u>16,705</u>	<u>121,302</u>	<u>17,815</u>	<u>199,483</u>
Excess (deficiency) of revenues over expenditures	214	12,118	328	(18,009)
Fund balances (deficits) at beginning of year	<u>14,071</u>	<u>(31,390)</u>	<u>(12,555)</u>	<u>859</u>
Fund balance (deficits) at end of year	<u>\$ 14,285</u>	<u>\$ (19,272)</u>	<u>\$ (12,227)</u>	<u>\$ (17,150)</u>

**Total
Nonmajor
Governmental
Funds**

\$ 349,956

177,928

138,007

17,815

21,555

355,305

(5,349)

(29,015)

\$ (34,364)

SPECIAL REVENUE FUNDS

ILLINOIS MUNICIPAL RETIREMENT FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
BALANCE SHEET
DECEMBER 31, 2014
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ 14,228	\$ 13,931
Property taxes receivable	<u>29,157</u>	<u>17,115</u>
Total assets	<u>\$ 43,385</u>	<u>\$ 31,046</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	\$ 29,100	\$ 16,975
FUND BALANCES		
Restricted	<u>14,285</u>	<u>14,071</u>
Total deferred inflows of resources and fund balances	<u>\$ 43,385</u>	<u>\$ 31,046</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 17,500	\$ 16,919	\$ (581)	\$ 16,999
Investment income	-	-	-	23
Total revenues	17,500	16,919	(581)	17,022
Expenditures:				
Current:				
Employee benefits	17,500	16,705	795	14,323
Excess of revenues over expenditures	-	214	214	2,699
Fund balances at beginning of year	14,071	14,071	-	11,372
Fund balances at end of year	<u>\$ 14,071</u>	<u>\$ 14,285</u>	<u>\$ 214</u>	<u>\$ 14,071</u>

SOCIAL SECURITY FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 SOCIAL SECURITY FUND
 BALANCE SHEET
 DECEMBER 31, 2014
 WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ 32,016	\$ 16,463
Property taxes receivable	<u>166,322</u>	<u>134,966</u>
Total assets	<u>\$ 198,338</u>	<u>\$ 151,429</u>
LIABILITIES		
Accrued costs	\$ 18,336	\$ 15,555
Due to other funds	<u>33,404</u>	<u>33,404</u>
Total liabilities	51,740	48,959
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	165,870	133,860
FUND DEFICITS		
Unassigned	<u>(19,272)</u>	<u>(31,390)</u>
Total liabilities, deferred inflows of resources, and fund deficits	<u>\$ 198,338</u>	<u>\$ 151,429</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICITS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 138,000	\$ 133,420	\$ (4,580)	\$ 133,900
Investment income	-	-	-	184
Total revenues	138,000	133,420	(4,580)	134,084
Expenditures:				
Current:				
Employee benefits	138,000	121,302	16,698	117,387
Excess of revenues over expenditures	-	12,118	12,118	16,697
Fund deficits at beginning of year	(31,390)	(31,390)	-	(48,087)
Fund deficits at end of year	<u>\$ (31,390)</u>	<u>\$ (19,272)</u>	<u>\$ 12,118</u>	<u>\$ (31,390)</u>

AUDIT FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 AUDIT FUND
 BALANCE SHEET
 DECEMBER 31, 2014
 WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ 432	\$ -
Property taxes receivable	<u>19,461</u>	<u>19,565</u>
Total assets	<u>\$ 19,893</u>	<u>\$ 19,565</u>
LIABILITIES		
Due to other funds	\$ 12,720	\$ 12,720
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	19,400	19,400
FUND DEFICITS		
Unassigned	<u>(12,227)</u>	<u>(12,555)</u>
Total liabilities, deferred inflows of resources, and fund deficits	<u>\$ 19,893</u>	<u>\$ 19,565</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
 AUDIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND DEFICITS - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 20,000	\$ 18,143	\$ (1,857)	\$ 19,983
Expenditures:				
Current:				
Outside services	<u>20,000</u>	<u>17,815</u>	<u>2,185</u>	<u>22,000</u>
Excess (deficiency) of revenues over expenditures	-	328	328	(2,017)
Fund deficits at beginning of year	<u>(12,555)</u>	<u>(12,555)</u>	<u>-</u>	<u>(10,538)</u>
Fund deficits at end of year	<u>\$ (12,555)</u>	<u>\$ (12,227)</u>	<u>\$ 328</u>	<u>\$ (12,555)</u>

**EMERGENCY, RESCUE, CREW AND
EQUIPMENT FUND**

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
EMERGENCY, RESCUE, CREW AND EQUIPMENT FUND
BALANCE SHEET
DECEMBER 31, 2014
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ -	\$ 9,420
Property taxes receivable	<u>189,764</u>	<u>195,676</u>
Total assets	<u>\$ 189,764</u>	<u>\$ 205,096</u>
LIABILITIES		
Accounts payable	\$ 2,790	\$ 1,213
Accrued costs	9,952	9,024
Due to other funds	<u>5,022</u>	<u>-</u>
Total liabilities	<u>17,764</u>	<u>10,237</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>189,150</u>	<u>194,000</u>
FUND BALANCE (DEFICIT)		
Restricted	-	859
Unassigned	<u>(17,150)</u>	<u>-</u>
Total fund balance (deficit)	<u>(17,150)</u>	<u>859</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$ 189,764</u>	<u>\$ 205,096</u>

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
EMERGENCY, RESCUE, CREW AND EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 200,000	\$ 181,474	\$ (18,526)	\$ 202,653
Investment income	-	-	-	324
Total revenues	<u>200,000</u>	<u>181,474</u>	<u>(18,526)</u>	<u>202,977</u>
Expenditures:				
Current:				
Compensation and salaries	182,250	177,928	4,322	176,642
Outside services	-	-	-	783
Equipment and maintenance	17,750	21,555	(3,805)	19,339
Capital outlay	-	-	-	938
Total expenditures	<u>200,000</u>	<u>199,483</u>	<u>517</u>	<u>197,702</u>
Excess (deficiency) of revenues over expenditures	-	(18,009)	(18,009)	5,275
Fund balances (deficit) at beginning of year	<u>859</u>	<u>859</u>	<u>-</u>	<u>(4,416)</u>
Fund balances (deficit) at end of year	<u>\$ 859</u>	<u>\$ (17,150)</u>	<u>\$ (18,009)</u>	<u>\$ 859</u>

FIDUCIARY FUND

PENSION TRUST FUND

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
PENSION TRUST FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2014
WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013**

	2014	2013
ASSETS		
Cash	\$ 538,159	\$ 142,631
Accrued interest receivable	92,168	98,961
Due from other funds	25,764	-
Investments:		
Corporate bonds	2,284,165	1,734,004
GNMA	10,182	13,717
Municipal bonds	644,072	442,418
Mutual funds	6,202,621	6,270,265
U.S. government agency notes	2,336,543	2,296,372
U.S. Treasury securities	204,748	319,052
Total assets	12,338,422	11,317,420
LIABILITIES		
Due to other funds	-	6,000
NET POSITION		
Net position restricted for pensions	\$ 12,338,422	\$ 11,311,420

**NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
PENSION TRUST FUND
SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE
YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Additions:				
Contributions:				
Employer	\$ 538,000	\$ 528,580	\$ (9,420)	\$ 523,758
Member	-	322,894	322,894	244,100
Buyback	-	41,885	41,885	-
Other	-	50	50	-
Total contributions	<u>538,000</u>	<u>893,409</u>	<u>355,409</u>	<u>767,858</u>
Investment earnings:				
Investment income	-	557,262	557,262	1,151,434
Investment expense	-	(49,167)	(49,167)	(43,184)
Net investment earnings	<u>-</u>	<u>508,095</u>	<u>508,095</u>	<u>1,108,250</u>
Total additions	<u>538,000</u>	<u>1,401,504</u>	<u>863,504</u>	<u>1,876,108</u>
Deductions:				
Benefit payments	538,000	348,756	189,244	351,423
Refund of member contributions	-	9,039	(9,039)	-
Administrative expense	-	16,707	(16,707)	11,326
Total deductions	<u>538,000</u>	<u>374,502</u>	<u>163,498</u>	<u>362,749</u>
Net increase in net position	-	1,027,002	1,027,002	1,513,359
Net position at beginning of year	<u>11,311,420</u>	<u>11,311,420</u>	<u>-</u>	<u>9,798,061</u>
Net position at end of year	<u>\$ 11,311,420</u>	<u>\$ 12,338,422</u>	<u>\$ 1,027,002</u>	<u>\$ 11,311,420</u>

OTHER INFORMATION SECTION

NORTH PALOS FIRE PROTECTION DISTRICT, ILLINOIS
SCHEDULE OF ASSESSED VALUATION, RATES, EXTENSIONS AND COLLECTIONS
LAST TEN YEARS

Tax levy year	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Equalized assessed valuation	<u>\$ 386,038,884</u>	<u>\$ 418,219,614</u>	<u>\$ 454,834,323</u>	<u>\$ 554,996,968</u>	<u>\$ 547,007,419</u>
Tax rates (per \$100 of equalized assessed valuation):					
Corporate	0.3431	0.4000	0.3838	0.2873	0.2976
Tort liability	0.1548	0.0525	0.0464	0.0371	0.0262
Ambulance	0.3375	0.3000	0.2967	0.2259	0.2241
Firefighters' pension	0.1436	0.1293	0.0709	0.0788	0.0595
Illinois municipal retirement	0.0047	0.0042	0.0013	0.0032	0.0046
Social security	0.0368	0.0330	0.0169	0.0223	0.0138
Audit	0.0050	0.0049	0.0026	0.0049	0.0030
Emergency, rescue, crew and equipment	<u>0.0500</u>	<u>0.0500</u>	<u>0.0500</u>	<u>0.0412</u>	<u>0.0462</u>
Total	<u>1.0755</u>	<u>0.9739</u>	<u>0.8686</u>	<u>0.7007</u>	<u>0.6750</u>
Percent difference	<u>0.1016</u>	<u>0.1053</u>	<u>0.1679</u>	<u>0.0257</u>	<u>(0.0189)</u>
Tax extensions:					
Corporate	\$ 1,324,499	\$ 1,672,878	\$ 1,745,654	\$ 1,594,506	\$ 1,627,894
Tort liability	597,588	219,390	211,043	205,904	143,316
Ambulance	1,302,881	1,254,659	1,349,493	1,253,738	1,225,844
Firefighters' pension	554,352	540,750	322,478	437,338	325,469
Illinois municipal retirement	18,144	17,510	5,913	17,760	25,162
Social security	142,062	138,020	76,867	123,764	75,487
Audit	19,302	20,600	11,826	27,195	16,410
Emergency, rescue, crew and equipment	<u>193,019</u>	<u>209,110</u>	<u>227,417</u>	<u>228,659</u>	<u>252,717</u>
Total	<u>\$ 4,151,847</u>	<u>\$ 4,072,917</u>	<u>\$ 3,950,691</u>	<u>\$ 3,888,864</u>	<u>\$ 3,692,299</u>
Tax collections	<u>\$ 3,860,609</u>	<u>\$ 3,967,361</u>	<u>\$ 3,766,350</u>	<u>\$ 3,780,113</u>	<u>\$ 3,536,494</u>
Percent collected	<u>92.99%</u>	<u>97.41%</u>	<u>95.33%</u>	<u>97.20%</u>	<u>95.78%</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>\$ 542,405,102</u>	<u>\$ 481,908,618</u>	<u>\$ 455,645,836</u>	<u>\$ 462,521,991</u>	<u>\$ 391,822,557</u>
0.2811	0.3145	0.3199	0.3095	0.3409
0.0541	0.0564	0.0588	0.0557	0.0576
0.2121	0.2366	0.2335	0.2242	0.2880
0.0816	0.0619	0.0700	0.0611	0.0541
0.0042	0.0038	0.0041	0.0038	0.0039
0.0133	0.0096	0.0099	0.0089	0.0104
0.0028	0.0028	0.0032	0.0024	0.0021
<u>0.0447</u>	<u>0.0477</u>	<u>0.0500</u>	<u>0.0426</u>	<u>0.0457</u>
<u>0.6939</u>	<u>0.7333</u>	<u>0.7494</u>	<u>0.7082</u>	<u>0.8027</u>
<u>(0.0394)</u>	<u>(0.0161)</u>	<u>0.0412</u>	<u>(0.0945)</u>	<u>0.0017</u>
\$ 1,524,701	\$ 1,515,603	\$ 1,457,611	\$ 1,431,399	\$ 1,335,723
293,441	271,796	267,920	257,500	225,689
1,150,441	1,140,196	1,063,933	1,037,126	1,128,488
442,603	298,301	318,952	282,220	211,943
22,781	18,313	18,681	17,510	15,281
72,140	46,263	45,109	41,200	40,749
15,187	13,493	14,581	11,330	8,228
<u>242,455</u>	<u>229,870</u>	<u>227,823</u>	<u>197,137</u>	<u>179,062</u>
<u>\$ 3,763,749</u>	<u>\$ 3,533,835</u>	<u>\$ 3,414,610</u>	<u>\$ 3,275,422</u>	<u>\$ 3,145,123</u>
<u>\$ 3,623,647</u>	<u>\$ 3,182,666</u>	<u>\$ 3,118,352</u>	<u>\$ 3,084,351</u>	<u>\$ 3,114,574</u>
<u>96.28%</u>	<u>90.06%</u>	<u>91.32%</u>	<u>94.17%</u>	<u>99.03%</u>