

**Darien-Woodridge Fire Protection District  
Darien, Illinois**

Annual Financial Report

For the Year Ended  
May 31, 2014

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# Darien-Woodridge Fire Protection District

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**INDEPENDENT AUDITORS REPORT**

Members of the Board of Directors  
Darien-Woodridge Fire Protection District  
Darien, IL

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Darien-Woodridge Fire Protection District, as of and for the year ended May 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 financial statement presentation of the financial statements.

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

**Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Darien-Woodridge Fire Protection District, as of May 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended May 31, 2014. Statement No. 63 added new classifications on the statements of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of position to the new classifications contained in GASB Statement No 63. The adoption of this statement had no effect on any of the District's net positions or fund balances as of and for the year ended May 31, 2014.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-12) and budgetary comparison information (beginning on page 43) 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 Darien-Woodridge Fire Protection District basic financial statements. The combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The statistical 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.

*Miriani & Associates, LTD.*

MIRIANI & ASSOCIATES, LTD.  
September 16, 2014

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

# **Darien-Woodridge Fire Protection District**

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

### **For the Year Ended May 31, 2014**

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As the management of Darien-Woodridge Fire Protection District ("the District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended May 31, 2014. We encourage readers to consider the information presented here in conjunction with the District's financial statements (beginning on page 13).

The discussion and analysis is designed to: (1) assist the readers in focusing on significant financial issues, (2) provide an overview of the District's financial activities, (3) identify changes in the District's financial position (its ability to address the next and subsequent years challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

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

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

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements beginning on page 13.

### **Financial Highlights**

The District operates under the restrictions of the Property Tax Extension Limitation Law (PTELL). The act generally limits the amount of taxes to be extended to the lesser of 5% or the annual CPI index factor.

The following is a summary of fiscal 2013/2014 operating results:

The District's net position as of May 31, 2014 was \$508,586; of which \$5,306,912 was invested in capital assets, less related debt of \$7,129,643, leaving \$2,331,317 to meet the District's ongoing obligations to its citizens.

The District's governmental funds reported combined ending fund balance of \$4,035,359; \$3,270,896 General Fund (Fire and Ambulance) leaving \$764,463 in Capital Projects and Special Revenue Funds.

The District's total net position decreased by \$46,283.

(See independent auditor's report.)

# Darien-Woodridge Fire Protection District

## Management's Discussion and Analysis

### For the Year Ended May 31, 2014

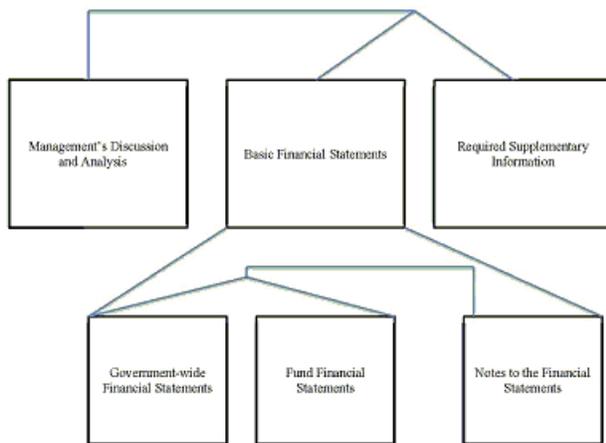
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#### Overview of the Financial Statements

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

The following chart summarizes the District's financial statements:

Organization of Annual Financial Report



(See independent auditor's report.)

**Darien-Woodridge Fire Protection District**  
**Management's Discussion and Analysis**  
**For the Year Ended May 31, 2014**

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**Overview of the Financial Statements**

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

**Government-wide Financial Statements**

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

The statement of net position presents information on all District assets and liabilities, with the difference between the two reported as net position. Over time, the increase or decrease in net position may serve as a useful indicator of whether or not the District's financial position is improving.

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

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

The following Table 1 reflects the condensed Statement of Net Position for the District as of May 31, 2014. Table 2 reflects a condensed Statement of Activities for the year ended May 31, 2014.

The government-wide financial statements are presented on page 13 - 14 of this report.

(See independent auditor's report.)

**Darien-Woodridge Fire Protection District**  
**Management's Discussion and Analysis**  
**For the Year Ended May 31, 2014**

**Government-Wide Financial Analysis**

As noted earlier, assets may serve over time as a useful indicator of the District's financial position. In the District's case, assets exceeded exceeded assets by \$508,586 at May 31, 2014.

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

Total revenues were \$7,032,714 while the expenditures totaled \$7,078,997 resulting in a decrease of \$46,283 in net position.

**Table 1**  
**Condensed Statement of Net Position**  
As of May 31,

|  | <u>2014</u>       | <u>2013</u>       |
|--|-------------------|-------------------|
| <b>Assets</b>  |                   |                   |
| Cash & Investments                                     | \$ 1,405,182      | \$ 1,281,386      |
| Receivables  | 5,580,100         | 5,884,567         |
| Other Current Assets                                   | 136,336           | 100,398           |
| Capital Assets, Net of Accumulated Depreciation        | <u>5,306,912</u>  | <u>5,709,076</u>  |
| <b>Total Assets</b>                                    | <u>12,428,530</u> | <u>12,975,427</u> |
| <b>Deferred Outflows of Resources</b>                  |                   |                   |
| Unamortized Bond Costs                                 | <u>137,871</u>    | <u>145,981</u>    |
| <b>Total Deferred Outflows</b>                         | <u>137,871</u>    | <u>145,981</u>    |
| <b>Total Assets and Deferred Outflows of Resources</b> | <u>12,566,401</u> | <u>13,121,408</u> |
| <b>Liabilities</b>                                     |                   |                   |
| Accounts Payable                                       | 127,414           | 132,694           |
| Accrued Payroll  | 168,797           | 146,262           |
| Interest Payable                                       | 119,805           | 80,083            |
| Non Current Liabilities                                | <u>8,713,371</u>  | <u>9,141,075</u>  |
| <b>Total Liabilities</b>                               | <u>9,129,387</u>  | <u>9,500,114</u>  |
| <b>Deferred Inflows of Resources</b>                   |                   |                   |
| Unamortized Bond Premium                               | 138,379           | 146,519           |
| Unearned Revenue                                       | <u>2,790,049</u>  | <u>2,919,906</u>  |
| <b>Total Deferred Inflows</b>                          | <u>2,928,428</u>  | <u>3,066,425</u>  |
| <b>Net Position</b>                                    |                   |                   |
| Invested in Capital Assets Net of Debt                 | (1,822,731)       | (1,899,565)       |
| Restricted   | 764,465           | 708,627           |
| Unrestricted   | <u>1,566,852</u>  | <u>1,745,807</u>  |
| <b>Total Net Position</b>                              | <u>508,586</u>    | <u>554,869</u>    |

(See independent auditor's report.)

# Darien-Woodridge Fire Protection District

## Management's Discussion and Analysis

For the Year Ended May 31, 2014

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

#### Revenues:

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

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

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

#### Expenses:

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

**Table 2**  
**Condensed Statement of Activities**  
For the Year Ended May 31,

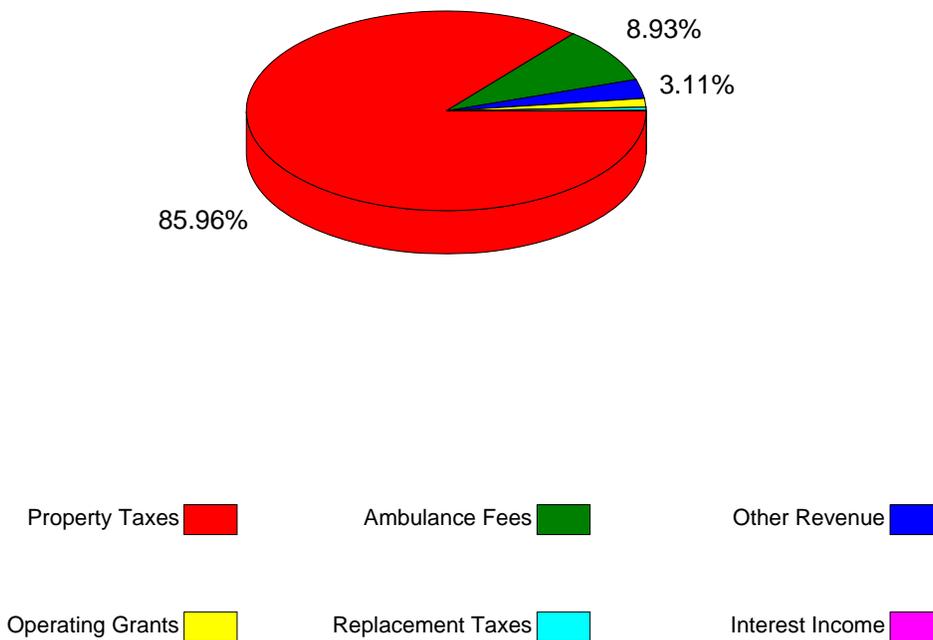
|                        | <u>2014</u>       | <u>2013</u>       |
|------------------------|-------------------|-------------------|
| <b>Revenues:</b>       |                   |                   |
| Taxes:                 |                   |                   |
| Property               | \$ 6,055,024      | \$ 6,353,585      |
| Replacement            | 36,601            | 34,924            |
| Charge for Services    | 629,062           | 853,211           |
| Grants                 | 99,394            | 27,900            |
| Investment Income      | 4,825             | 2,955             |
| Miscellaneous          | <u>207,808</u>    | <u>98,577</u>     |
| Total Revenue          | <u>7,032,714</u>  | <u>7,371,152</u>  |
| <b>Expenditures:</b>   |                   |                   |
| Public Safety          | 6,791,736         | 6,541,092         |
| Interest               | <u>287,261</u>    | <u>296,535</u>    |
| Total Expenditures     | <u>7,078,997</u>  | <u>6,837,627</u>  |
| Change in Net Position | <u>(46,283)</u>   | <u>533,525</u>    |
| Net Position           |                   |                   |
| Beginning of Year      | <u>554,869</u>    | <u>21,344</u>     |
| End of Year            | <u>\$ 508,586</u> | <u>\$ 554,869</u> |

(See independent auditor's report.)

**Government-wide Financial Analysis**

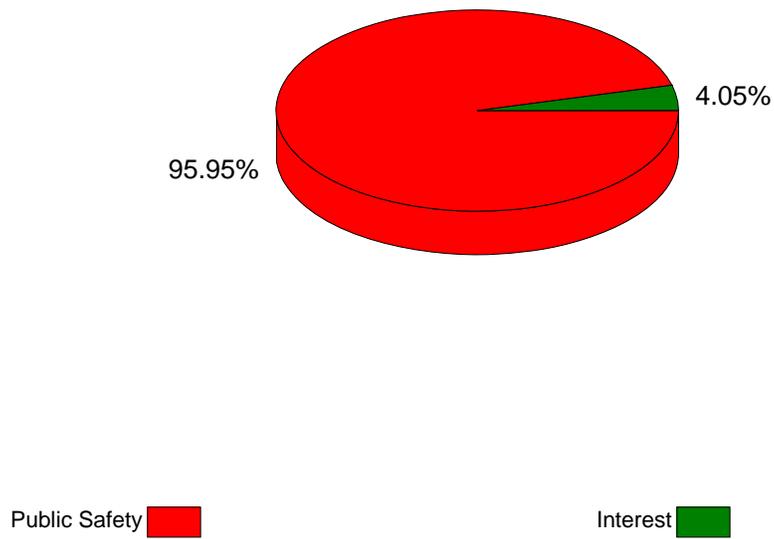
The District's primary source of revenues is from property taxes while the primary use of funds is to provide public safety. Below are charts which represent the sources and uses of fund for the fiscal year ended May 31, 2014:

## Revenue by Source as of May 31, 2014



(See independent auditor's report.)

## Expenses by Program as of May 31, 2014



(See independent auditor's report.)

# Darien-Woodridge Fire Protection District

## Management's Discussion and Analysis

For the Year Ended May 31, 2014

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### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other units of government, uses fund accounting to ensure compliance with finance-related legal requirements. All of the District's funds are governmental funds.

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

The District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the Corporate Fund, Ambulance Fund, Capital Projects Fund and Special Revenue Funds. Data from the Special Revenue Funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual schedules elsewhere in the report.

Basic governmental fund financial statements are presented on pages 15 - 18 of this report.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

### Other Information

In addition to these basic financial statements and accompanying notes, this report also presents supplementary information concerning the District's progress in funding its obligations to provide pension benefits to its employees. This information can be found beginning on page 42 of this report.

Major funds are reported in the basic financial statements as discussed. Combining and/or individual statements and schedules are presented in a subsequent section of this report beginning on page 43 of this report.

(See independent auditor's report.)

**Darien-Woodridge Fire Protection District**  
**Management's Discussion and Analysis**  
**For the Year Ended May 31, 2014**

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

**Changes in Fund Balance - Governmental Funds**

Governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$4,035,359. Of this year-end total, the general fund reported a fund balance of \$3,270,896. The remaining \$764,463 is restricted and undesignated.

The following is a summary of changes in fund balances for the year ended May 31, 2014:

| Governmental Funds           | Fund<br>Balance<br>May 31, 2013 | Increase<br>(Decrease) | Fund<br>Balance<br>May 31, 2014 |
|------------------------------|---------------------------------|------------------------|---------------------------------|
| General Funds                |                                 |                        |                                 |
| Corporate                    | \$ 17,490                       | \$ (283,813)           | \$ (266,323)                    |
| Ambulance                    | 3,341,372                       | 195,847                | 3,537,219                       |
| Special Revenue Funds        |                                 |                        |                                 |
| FICA & IMRF Fund             | 110,469                         | 16,733                 | 127,202                         |
| Insurance Fund               | 65,113                          | 64,821                 | 129,934                         |
| Audit Fund                   | 7,031                           | 1,615                  | 8,646                           |
| Debt Service                 | 287,303                         | -                      | 287,303                         |
| Capital Replacement Fund     | 231,012                         | (32,327)               | 198,685                         |
| Foreign Fire Insurance Board | 7,699                           | 4,994                  | 12,693                          |
|                              | <u>\$ 4,067,489</u>             | <u>\$ (32,130)</u>     | <u>\$ 4,035,359</u>             |

**Major Governmental Funds - Annual Budget**

The District reports the Corporate Fund and the Ambulance Fund as major governmental funds. The following is a table summarizing the District's working budget fiscal year 2013/2014 for these funds. More detailed information on the budget process can be found in Note 1 of the financial statements.

|  | <u>Working<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>With Final<br/>Budget</u> |
|--|---------------------------|---------------------|---|
| Corporate Fund (Fire)                            |                           |                     |   |
| Revenue  | \$ 3,093,491              | \$ 3,007,760        | \$ (85,731)                               |
| Expenditures                                     | <u>3,358,811</u>          | <u>3,349,073</u>    | <u>9,738</u>                              |
| Excess (Deficit) of<br>Revenue over Expenditures | <u>\$ (265,320)</u>       | <u>\$ (341,313)</u> | <u>\$ 75,993</u>                          |
| Ambulance Fund                                   |                           |                     |   |
| Revenue  | \$ 3,320,382              | \$ 3,296,381        | \$ (24,001)                               |
| Expenditures                                     | <u>3,079,879</u>          | <u>3,158,034</u>    | <u>(78,155)</u>                           |
| Excess (Deficit) of<br>Revenue over Expenditures | <u>\$ 240,503</u>         | <u>\$ 138,347</u>   | <u>\$ 102,156</u>                         |

(See independent auditor's report.)

**Darien-Woodridge Fire Protection District**  
**Management's Discussion and Analysis**  
**For the Year Ended May 31, 2014**

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**Capital Assets**

The District's investment in capital assets, net of accumulated depreciation for governmental activities as of May 31, 2014 was \$5,306,912. The net decrease in capital assets was \$641,189. Depreciation expense for the year was \$394,571. Additional information on the District's investment in capital assets can be found in Note 5 of the financial statements.

The following is a summary of capital assets, net of accumulated depreciation:

|                               | May 31,             |                     |
|-------------------------------|---------------------|---------------------|
|                               | 2013                | 2014                |
| Land                          | 805,000             | 805,000             |
| Building & Improvements       | 5,620,326           | 5,630,689           |
| Machinery & Equipment         | 1,538,037           | 1,219,723           |
| Office Furniture & Equipment  | 54,498              | 54,498              |
| Vehicles                      | <u>2,211,565</u>    | <u>2,256,891</u>    |
| Cost of capital assets        | 10,229,426          | 9,966,801           |
| Less accumulated depreciation | <u>(4,520,350)</u>  | <u>(4,501,912)</u>  |
| Net capital assets            | <u>\$ 5,709,076</u> | <u>\$ 5,464,889</u> |

**Outstanding Debt**

As of May 31, 2014, the District had outstanding debt totaling \$7,129,643. The District's long-term debt is comprised of general obligation debt and capitalized leases.

More detailed information on long-term debt activity can be found in Note 6 of the financial statements.

**Economic Factors in Next Year's Budget and Rates**

The District continues to experience an eroding tax rate imposed by the Property Tax Extension Limitation Law (PTELL), which, in general, limits the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy.

**Contacting the District's Financial Management**

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the District at 7550 Lyman Avenue, Darien, IL 60561.

(See independent auditor's report.)

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## **BASIC FINANCIAL STATEMENTS**

**Darien-Woodridge Fire Protection District**  
**Statement of Net Position**  
**May 31, 2014**

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|   | Governmental<br>Activities |
|---|----------------------------|
| <b>Assets</b>                                       |                            |
| Cash & Cash Equivalents                             | \$ 1,405,182               |
| Receivables:  |                            |
| Property Taxes                                      | 5,580,100                  |
| Prepaid Expenses                                    | 136,336                    |
| Capital Assets, Not Being Depreciated               | 805,000                    |
| Capital Assets, Net of Accumulated Depreciation     | <u>4,501,912</u>           |
| Current Assets                                      | <u>12,428,530</u>          |
| Deferred Outflows of Resources                      |                            |
| Unamortized Bond Issuance Costs                     | <u>137,871</u>             |
| Total Deferred Outflows                             | <u>137,871</u>             |
| Total Assets and Deferred Outflows                  | <u>12,566,401</u>          |
| <b>Liabilities</b>                                  |                            |
| Accounts Payable                                    | 49,663                     |
| Accrued Payroll                                     | 246,547                    |
| Interest Payable                                    | 119,805                    |
| Long-term and Other Liabilities                     |                            |
| Due Within One Year                                 | 324,076                    |
| Due in More Than One Year                           | <u>8,389,295</u>           |
| Total Liabilities                                   | 9,129,386                  |
| Deferred Inflows of Resources                       |                            |
| Unearned Property Tax Revenue                       | 2,790,050                  |
| Unamortized Bond Premium                            | <u>138,379</u>             |
| Total Deferred Inflows of Resources                 | <u>2,928,429</u>           |
| Total Liabilities and Deferred Inflows of Resources | <u>12,057,815</u>          |
| <b>Net Position</b>                                 |                            |
| Invested in Capital Assets, Net of Related Debt     | (1,822,731)                |
| Restricted For                                      |                            |
| - Capital Projects                                  | 198,685                    |
| - Debt Service                                      | 287,303                    |
| - Special Revenue                                   | 278,477                    |
| Unrestricted  | <u>1,566,852</u>           |
| Net Position  | <u>\$ 508,586</u>          |

See Accompanying Notes to Financial Statements

**Darien-Woodridge Fire Protection District**  
**Statement of Activity**  
**For the Year Ended May 31, 2014**

| Functions/Program                   | Expenses            | Program Revenue        |                     | Net (Expenses),<br>Revenue and<br>Changes in Net<br>Position<br>Governmental<br>Activities |
|-------------------------------------|---------------------|------------------------|---------------------|--|
|                                     |                     | Charge for<br>Services | Operating<br>Grants |  |
| Governmental Activities             |                     |                        |                     |  |
| General Government                  | \$ 6,791,736        | \$ 629,063             | \$ 99,394           | \$ 6,063,279   |
| Interest on Long Term Debt          | 287,261             | -                      | -                   | 287,261  |
| Total Governmental Activities       | <u>\$ 7,078,997</u> | <u>\$ 629,063</u>      | <u>\$ 99,394</u>    | <u>6,350,540</u>   |
| General Revenues                    |                     |                        |                     |  |
| Taxes                               |                     |                        |                     |  |
| Property                            |                     |                        |                     | 6,055,024  |
| Replacement                         |                     |                        |                     | 36,601   |
| Investment Income                   |                     |                        |                     | 4,825  |
| Miscellaneous                       |                     |                        |                     | <u>207,807</u>   |
| Total General Revenue               |                     |                        |                     | <u>6,304,257</u>   |
| Increase (Decrease) in Net Position |                     |                        |                     | (46,283)   |
| Net Position                        |                     |                        |                     |  |
| Beginning                           |                     |                        |                     | <u>554,869</u>   |
| Ending                              |                     |                        |                     | <u>\$ 508,586</u>  |

See Accompanying Notes to Financial Statements

**Darien-Woodridge Fire Protection District**  
**Governmental Funds**  
**Balance Sheet**  
**May 31, 2014**

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|  | General<br>Fund         | Other<br>Governmental<br>Funds | Total                   |
|--|-------------------------|--------------------------------|-------------------------|
| <b>ASSETS</b>  |                         |                                |                         |
| Cash & Cash Equivalents  | \$ 935,096              | \$ 470,086                     | \$ 1,405,182            |
| Receivables:   |                         |                                |                         |
| Property Taxes   | 5,102,260               | 477,840                        | 5,580,100               |
| Prepaid Expenses   | <u>80,880</u>           | <u>55,456</u>                  | <u>136,336</u>          |
| <br>Total Assets   | <br><u>\$ 6,118,236</u> | <br><u>\$ 1,003,382</u>        | <br><u>\$ 7,121,618</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> |                         |                                |                         |
| Liabilities  |                         |                                |                         |
| Accounts Payable   | \$ 49,662               | \$ -                           | \$ 49,662               |
| Accrued Payroll  | <u>246,548</u>          | <u>-</u>                       | <u>246,548</u>          |
| <br>Total Liabilities  | <br><u>296,210</u>      | <br><u>-</u>                   | <br><u>296,210</u>      |
| Deferred Inflows of Resources  |                         |                                |                         |
| Unearned Property Tax Revenue  | <u>2,551,130</u>        | <u>238,919</u>                 | <u>2,790,049</u>        |
| <br>Total Deferred Inflows of Resources                                | <br><u>2,551,130</u>    | <br><u>238,919</u>             | <br><u>2,790,049</u>    |
| <br>Total Liabilities and Deferred Inflows<br>of Resources             | <br><u>2,847,340</u>    | <br><u>238,919</u>             | <br><u>3,086,259</u>    |
| Fund Balance   |                         |                                |                         |
| Nonspendable   |                         |                                |                         |
| Prepays Items  | 80,880                  | 55,456                         | 136,336                 |
| Restricted for:  |                         |                                |                         |
| Special Revenue  | -                       | 223,019                        | 223,019                 |
| Debt Service   | -                       | 287,303                        | 287,303                 |
| Capital Replacement Fund   | -                       | 198,685                        | 198,685                 |
| Unrestricted   | <u>3,190,016</u>        | <u>-</u>                       | <u>3,190,016</u>        |
| <br>Total Fund Balance   | <br><u>3,270,896</u>    | <br><u>764,463</u>             | <br><u>4,035,359</u>    |
| <br>Total Liabilities, Deferred Inflows<br>and Fund Balance            | <br><u>\$ 6,118,236</u> | <br><u>\$ 1,003,382</u>        | <br><u>\$ 7,121,618</u> |

See Accompanying Notes to Financial Statements

# Darien-Woodridge Fire Protection District

## Governmental Funds

### Statement of Revenue, Expenditures and Changes in Fund Balances

For the Year Ended May 31, 2014

|  | General      | Other<br>Governmental<br>Funds | Total        |
|--|--------------|--------------------------------|--------------|
| <b>REVENUES</b>                                      |              |                                |              |
| Property Taxes                                       | \$ 5,516,844 | \$ 538,180                     | \$ 6,055,024 |
| State Replacement Taxes                              | 33,089       | 3,512                          | 36,601       |
| Interest Income                                      | 4,583        | 242                            | 4,825        |
| Charge for Services                                  | 609,496      | -                              | 609,496      |
| Fees   | 19,566       | -                              | 19,566       |
| SUFD Reimbursement                                   | 9,140        | 51,374                         | 60,514       |
| Grants Received                                      | 99,394       | -                              | 99,394       |
| Other Income   | 12,029       | 16,014                         | 28,043       |
| Total Revenue  | 6,304,141    | 609,322                        | 6,913,463    |
| <b>EXPENDITURES</b>                                  |              |                                |              |
| Fire Protection                                      | 2,791,659    | 11,020                         | 2,802,679    |
| Ambulance  | 2,897,018    | -                              | 2,897,018    |
| Debt Service   |              |                                |              |
| Principal  | 275,001      | -                              | 275,001      |
| Interest   | 247,031      | -                              | 247,031      |
| Firefighters' Pension Fund                           | 296,398      | -                              | 296,398      |
| Capital Outlay                                       | -            | 88,178                         | 88,178       |
| Payroll Taxes & IMRF                                 | -            | 114,891                        | 114,891      |
| Tort Liability Insurance                             | -            | 336,497                        | 336,497      |
| Audit  | -            | 7,150                          | 7,150        |
| Total Expenditures                                   | 6,507,107    | 557,736                        | 7,064,843    |
| Excess (Deficiency) of Revenues<br>over Expenditures | (202,966)    | 51,586                         | (151,380)    |
| Other Financing Sources (Uses)                       |              |                                |              |
| Proceeds from Sale of Assets                         | 115,000      | 4,250                          | 119,250      |
| Total Other Financing Sources (Uses)                 | 115,000      | 4,250                          | 119,250      |
| Net Change in Fund Balances                          | (87,966)     | 55,836                         | (32,130)     |
| Fund Balance,<br>Beginning of Year                   | 3,358,862    | 708,627                        | 4,067,489    |
| Fund Balance,<br>End of Year                         | \$ 3,270,896 | \$ 764,463                     | \$ 4,035,359 |

See Accompanying Notes to Financial Statements

**Darien-Woodridge Fire Protection District**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**May 31, 2014**

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|  |    |                  |
|--|----|------------------|
| Total Fund Balances - Governmental Funds   | \$ | 4,035,359        |
| Amounts reported for governmental activities in the Statement of Net Position are different because:   |    |                  |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                    |    | 5,306,912        |
| Bond payable, unamortized bond issuance costs and unamortized bond premium is not reported as liabilities in the funds financial statements. |    | (6,385,508)      |
| Leases payable are not reported as liabilities in the funds financial statements.  |    | (744,643)        |
| Interest payable is not reported as liabilities in the funds financial statements.   |    | (119,805)        |
| Long term portion of compensated absences are not reported in the funds financial statements.  |    | (633,503)        |
| Net pension obligation is not reported in the fund financial statements.   |    | <u>(950,226)</u> |
| Net Position of Governmental Activities  | \$ | <u>508,586</u>   |

See Accompanying Notes to Financial Statements

**Darien-Woodridge Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended May 31, 2014**

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|   |    |                 |
|---|----|-----------------|
| Net Change in Fund Balances - Total Governmental Funds  |    |                 |
| Statement of Revenues, Expenditures and Changes in Fund Balance   | \$ | (32,130)        |
| Amounts reported for governments activities in the Statement of Activities are different because:                 |    |                 |
| Depreciation and disposition of capital assets is not considered an expenditure in the fund financial statements. |    | (578,809)       |
| Purchase of capital assets are treated as an expenditure in the fund financial statements.                        |    | 176,646         |
| Changes in long-term compensated absences are not recorded in the fund financial statements.                      |    | 251,497         |
| Changes in net pension obligation are not recorded in the fund financial statements.                              |    | (302,254)       |
| Payment of bond principal is treated as an expenditure in the fund financial statements.                          |    | 275,000         |
| Payments of lease principal are treated as an expenditure in the fund financial statements.                       |    | 203,999         |
| Changes in accrued interest are not considered an expenditure in the fund financial statements.                   |    | (40,232)        |
| Changes in Net Position of Governmental Activities  |    |                 |
| Statement of Activities - "Increase (Decrease) in Net Position"   | \$ | <u>(46,283)</u> |

See Accompanying Notes to Financial Statements

**Darien-Woodridge Fire Protection District**  
**Firefighter's Pension Trust Fund**  
**A Fiduciary Fund**  
**Statement of Fund Net Position**  
**May 31, 2014**

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|  | <u>2014</u>                      |
|--|----------------------------------|
| Assets   |                                  |
| Cash & Cash Equivalents  | \$ 31,843                        |
| Investments:   |                                  |
| Money Market Mutual Funds  | 338,526                          |
| U.S. Treasury Securities   | 197,316                          |
| U.S. Government Agency Securities  | 3,387,761                        |
| State & Local Obligations  | 807,379                          |
| Corporate Bonds  | 3,185,387                        |
| Common Stock   | 418,645                          |
| Equity Mutual Funds  | 9,311,549                        |
| Interest Receivable  | 107,407                          |
| Prepaid Expenses   | <u>1,202</u>                     |
| <br>Total Assets   | <br>17,787,015                   |
| Liabilities  |                                  |
| Accrued Expenses   | <u>8,768</u>                     |
| <br>Total Liabilities  | <br><u>8,768</u>                 |
| <br>Plan Net Position Held in Trust for Pension Benefits<br>(A schedule of funding progress is presented<br>in the required supplementary information) | <br><br><br><u>\$ 17,778,247</u> |

See Accompanying Notes to Financial Statements

# Darien-Woodridge Fire Protection District

## Firefighter's Pension Trust Fund

### A Fiduciary Fund

#### Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Year Ended May 31, 2014

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|  | <u>2014</u>          |
|--|----------------------|
| Additions  |                      |
| Contributions  |                      |
| Employer   | \$ 296,398           |
| Plan Member  | <u>241,593</u>       |
| Total Contributions                                  | 537,991              |
| Investment Income                                    |                      |
| Investment Earnings                                  | 677,877              |
| Net Change in Fair Value of Investments              | <u>726,581</u>       |
| Total Investment Income                              | 1,404,458            |
| Less: Investment Expenses                            | <u>(29,144)</u>      |
| Net Investment Income                                | 1,375,314            |
| Total Additions                                      | 1,913,305            |
| Deductions   |                      |
| Pension Benefits                                     | 902,191              |
| Administrative Expenses                              | <u>29,549</u>        |
| Total Deductions                                     | <u>931,740</u>       |
| Net Increase (Decrease)                              | 981,565              |
| Plan Net Position Held in Trust for Pension Benefits |                      |
| Beginning of Year                                    | <u>16,796,682</u>    |
| End of Year  | <u>\$ 17,778,247</u> |

See Accompanying Notes to Financial Statements

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Darien-Woodridge Fire Protection District (the "District") is a municipal corporation of the State of Illinois headquartered in the County of DuPage and duly chartered pursuant to the Illinois Fire Protection District Act, 70 ILCS 705. The District was formed in the 1950s; the Belmont Fire Protection District was merged into the Darien-Woodridge Fire Protection District in 1988.

The Darien-Woodridge Fire Protection District is made up of parts of the city of Darien, Villages of Downers Grove and Woodridge, and a large area in unincorporated DuPage County. The District provides both fire and emergency medical service ("EMS") to the residents of this area. In addition, the District has ongoing fire inspection and fire education programs and offers education in CPR and other medical topics along with a blood pressure screening program.

#### A. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the District and any component units, entities for which the District is considered to be financially accountable. At May 31, 2014, there were no entities that would be considered a component unit of the District. Also, the District is not considered a component unit of any other governmental entity.

#### B. Accounting Methods

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The District implemented GASB 34 effective April 1, 2006.

The implementation of GASB 34 adds two "Government-Wide" financial statements as basic financial statements required for all governmental units. They are the Statement of Net Position, which presents the financial condition of the governmental activities of the District at fiscal yearend, and the Statement of Activities, which presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

The reporting model for GASB 34 classifies funds as governmental activities. Further, all non-fiduciary funds are classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the District used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

#### C. Basis of Presentation

##### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Basis of Presentation (Continued)

##### GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

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

##### FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, funds equity, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrative compliance with finance-related legal and contractual provisions.

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

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

The District reports the following major governmental funds:

The General Fund, which accounts for the District's primary fire and EMS operating activities.

The District reports the following non-major governmental funds:

Payroll taxes and IMRF  
Tort Liability  
Audit  
Debt Service  
Capital Replacement Fund

##### Governmental Funds (Governmental Activities)

Governmental fund types are those through which most governmental functions of the District are financed. The District's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the District's governmental funds follows:

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Basis of Presentation (Continued)

##### General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund.

Funds included in this fund category are:

- Ambulance
- Fire Protection

##### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes.

Funds included in this fund category are:

- Payroll taxes and IMRF
- Tort Liability
- Audit
- Capital Replacement Fund

##### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

##### Fiduciary Fund Types

Fiduciary Fund are used to account for assets held by the District in a trustee capacity or as an agent for individual, private organizations, other governments, or other funds. The District considers the Firefighter's Pension Trust Fund a Fiduciary Fund.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Basis of Accounting

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

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

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

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

The Firefighter's Pension Trust Fund, Fiduciary Fund Type, is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and its expenses are recognized when they are incurred.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Measurement Focus

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

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

The Firefighter's Pension Trust Fund is accounted for on a capital maintenance measurement focus. This means that all liabilities (whether current or non-current) associated with their activity are included on the balance sheets.

#### F. Budgets and Budgetary Accounting

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

The Fire Chief submits to the Board of Trustees a tentative working budget for the fiscal year commencing the following June 1. The working budget includes proposed expenditures and the means of financing them. The working budget is then approved by the Board and adopted.

Based on the working budget the Board then prepares a tentative Budget and Appropriation Ordinance. This ordinance establishes the legal spending limit for the District. The Board holds public hearings to solicit comments and may add to, subtract from, or change appropriations, but may not change the form of the budget. Prior to August 31, the final budget is passed by an appropriation ordinance. The tax levy ordinance is filed with the County Clerk by the last Tuesday in December to obtain tax revenue.

The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees' approval. No formal supplemental appropriation was made during the fiscal year. The Fire Chief can approve expenditures that exceed any line item of department expenditures of a fund as long as the expenditure does not exceed appropriations. Thus, the legal level of budgetary control is determined by fund.

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

The District incorporates the working budget within the financial statements. There were no changes to either the working budget or the budget and appropriation ordinance for the fiscal year ended May 31, 2014.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Investments

All investments are stated at fair value, which is the market value as determined by published reports of such values.

#### H. Prepaid Items/Expenses

Payment made to vendors for services that will benefit periods beyond the date of this report and recorded as prepaid items/expenses.

#### I. Use of Estimates

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

#### J. Capital Assets

##### GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, the District has adopted a capitalization threshold of \$1,000 for equipment and apparatus and \$10,000 for buildings and improvements. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

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

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

##### FUND FINANCIAL STATEMENTS

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

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

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Accumulated Vacation and Sick Pay

All full-time employees earn vacation benefits in varying annual amounts. Nonunion employees are allowed to carry over up to 10 days of vacation benefits each year. These benefits are accumulated but do not vest. Unused benefits lapse if not used before termination or retirement. Due to uncertainty of the timing of nonunion vacation benefits, the entire accrued liability of \$73,725 is recorded as a non-current liability. Effective September 2, 1993, union employees must utilize vacation benefits each year or benefits lapse. Therefore, unused vacation pay of \$77,752 is expected to be expended from available resources and is recorded as an accrued liability in the appropriate general fund account.

Sick pay accumulates at a rate of 6 days per year (48 hours) for management personnel, which can accumulate to a maximum of one year's time (2080 hours). Firefighters hired prior to June 1, 2006 can accumulate sick pay of up to 120 shift days (2,880 hours). Firefighters hired on or after June 1, 2006 can accumulate sick pay of up to 60 shift days (1,440 days). Accumulated sick pay vests to nonunion employees after 19 years of service and the unused portion is paid at retirement. At year end, the unused sick pay for nonunion employees of \$266,249 is recorded as an accrued non-current liability.

Effective September 2, 1993, the union employees' sick pay vests only after 19 years of service and not at all for terminated employees. The District has estimated that union employees with 15 years or more of service can reasonably be expected to receive this benefit in the future. The accrual for this unused sick pay of \$168,990 is recorded as a non-current liability.

|                      | Balance<br>Beginning<br>of Year | Net<br>Increase<br>(Decrease) | Balance<br>End<br>of Year | Amount<br>Due Within<br>One Year |
|----------------------|---------------------------------|-------------------------------|---------------------------|----------------------------------|
| Compensated Absences | <u>\$ 994,529</u>               | <u>\$ (244,614)</u>           | <u>\$ 749,915</u>         | <u>\$ 77,752</u>                 |

#### L. Debt Commitments

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Fund Balance

In the fund financial statements, governmental funds report non-spendable fund balance for amounts that are either no in spending form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions for outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the District's Board, which is considered the District's highest level of decision making authority. Formal action includes resolutions and ordinances approved by the Board. Assigned fund balances represent amounts constrained by the District's intent to use them for a specific purpose. Any residual fund balance of the General Fund is reported as unassigned.

In the government-wide financial statement, restricted net position are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the District's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

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

#### N. Deferred Outflows/Inflows of Resources

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

#### O. Total Columns on Combined Statements

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

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 2 - PROPERTY TAXES

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

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

The tax extension of \$6,281,462 for the year 2013 is based upon an assessed valuation of \$993,430,659. The following are the tax rates limits permitted by Illinois statute and by local referendum and actual rates levied per \$100 of assessed valuation and the extensions produced there from:

| Fund and/or purpose      | Limit | Rate          | Extension           |
|--------------------------|-------|---------------|---------------------|
| Fire Protection          | .4000 | .2521         | \$ 2,504,439        |
| IMRF                     | NONE  | .0015         | 14,902              |
| Pension                  | NONE  | .0706         | 701,362             |
| Tort Liability Insurance | NONE  | .0354         | 351,674             |
| Social Security          | NONE  | .0103         | 102,323             |
| Ambulance                | .3000 | .2615         | 2,597,821           |
| Audit                    | .0050 | .0009         | 8,941               |
| TOTALS                   | NONE  | <u>0.6323</u> | <u>\$ 6,281,462</u> |

### NOTE 3 - PERSONAL PROPERTY REPLACEMENT TAX

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

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

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 4 - DEPOSITS AND INVESTMENTS

At May 31, 2014, the District had cash and investments on the financial statements consisting of the following:

|                      | Governmental<br>Funds | Fiduciary<br>Funds   | Total                |
|----------------------|-----------------------|----------------------|----------------------|
| Cash and investments | <u>\$ 1,405,182</u>   | <u>\$ 17,678,406</u> | <u>\$ 19,083,588</u> |

The District maintains a cash and investment pool that is available for use by all funds except the Firefighter's Pension Trust Fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". The deposits and investments of the Firefighter's Pension Trust Funds are held separately from other funds.

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

#### Investment Policy - Governmental Funds

The District holds money market type investments and deposits with financial institutions, including certificate of deposits. As of May 31, 2014, the carrying amount of the District's deposits for governmental funds totaled \$1,405,182 and the bank balances totaled \$1,426,670. The weighted-average maturity of these investments held by the District is less than one (1) year.

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

**Custodial Credit Risk:** In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all bank balances in excess of the federal depository insurance, at an amount of not less than 110% of the fair market value of the funds secured. At year-end the entire amount of the governmental fund's bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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

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

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

### NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

#### Firefighter's Pension Trust Fund - Investment Policy

The pension fund holds money market type investments and deposits with financial institutions. As of May 31, 2014, the carrying amount of the fund's deposits totaled \$31,843 and the bank balance totaled \$35,206. The weighted-average maturity of these investments held by the District is less than one (1) year.

As of May 31, 2014, the District's investments consisted of the following:

| Investment Type                   | Fair Value           | Investment Maturities (in Years) |                  |                  |                |
|-----------------------------------|----------------------|----------------------------------|------------------|------------------|----------------|
|                                   |                      | Less Than 1                      | 1 to 5           | 6-10             | More than 10   |
| US Treasury notes                 | 197,316              | -                                | 197,316          | -                | -              |
| US Government Agencies:           |                      |                                  |                  |                  |                |
| GNMA                              | 8,375                | -                                | 3,832            | 4,543            | -              |
| FFCB                              | 1,684,344            | 100,043                          | 481,225          | 983,724          | 119,353        |
| FHLB                              | 1,695,042            | 50,717                           | 1,206,295        | 258,007          | 180,023        |
| Corporate Bonds                   | 3,185,387            | 101,338                          | 2,014,770        | 1,069,278        | -              |
| State & Local Obligations         | 807,379              | 31,199                           | 53,586           | 722,594          | -              |
| <b>Fixed Income Total</b>         | <b>7,577,843</b>     | <b>283,297</b>                   | <b>3,957,024</b> | <b>3,038,146</b> | <b>299,376</b> |
| Not Subject to Interest Rate Risk |                      |                                  |                  |                  |                |
| Money Market Mutual Funds         | 338,526              |                                  |                  |                  |                |
| Common Stock                      | 418,645              |                                  |                  |                  |                |
| Mutual Funds                      | 9,311,549            |                                  |                  |                  |                |
|                                   | <b>\$ 17,646,563</b> |                                  |                  |                  |                |

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

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

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Investments in the securities of State and Local Obligations were all rated BAA1 or better. U.S. government agencies were all rated triple A by Standard & Poor's or by Moody's Investors Services. In August 2011, U.S Treasury and government agency security ratings were downgraded by Standard & Poor's rating agency to AA+.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

### NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

#### Firefighter's Pension Trust Fund - Investment Policy (Continued)

Unrated investments are listed in the following table:

| Investment      | Par Value | Interest Rate | Maturity Date |
|-----------------|-----------|---------------|---------------|
| FMLMC Gold Pool | \$ 3,670  | 6.00%         | 08/15/2018    |
| GNMA Pool       | 3,921     | 4.50%         | 10/01/2023    |

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

**Custodial Credit Risk - Deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. At December 31, 2013, \$31,843 bank balance of the deposits was insured. The Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions. The percentage of the \$31,843 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

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

**Concentration of Credit Risk.** This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. At December 31, 2013, the Pension Fund has over 5% of net position, \$889,351, invested in various agency securities as indicated in the previously listed Investment Maturities table mutual funds listed below. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Fund's investment policy specifies "the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio."

The Fund's investment policy has a stated target that 45 percent of its portfolio be in fixed income securities, 55 percent in target equities. The Pension Board has diversified equity mutual fund holdings as follows:

|                                      |                     |
|--------------------------------------|---------------------|
| American Beacon Large Cap Value Fund | \$ 1,734,581        |
| Fidelity Advisor Fund                | 1,069,618           |
| JP Morgan Mid Cap Value Fund         | 373,211             |
| Lazard Emerging Markets Fund         | 176,879             |
| MFS International Fund               | 785,089             |
| Oppenheimer Developing Markets Fund  | 329,470             |
| Scout International Fund             | 847,403             |
| T Rowe Price Growth Fund             | 247,846             |
| TCW Select Equities Fund             | 2,420,725           |
| Undiscovered Managers Fund           | 284,453             |
| Various Closed End Equity EFT's      | 1,042,274           |
|                                      | <u>\$ 9,311,549</u> |

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

### NOTE 5 - CAPITAL ASSETS

As of June 1, 2004, records were updated to report the actual capital assets in use, to prospectively report capital assets, and to calculate and report depreciation of governmental type capital assets, historical costs or estimated historical costs if actual costs is not available. Total depreciation expense for governmental activities for year ended May 31, 2014 was \$394,571. A summary of the changes in capital assets for the year follows.

|  | May 31, 2013        | Additions           | Retirement          | May 31, 2014        |
|--|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities:                     |                     |                     |                     |                     |
| Capital Assets Not Being Depreciated         |                     |                     |                     |                     |
| Land   | 805,000             | -                   | -                   | 805,000             |
| Total Assets Not Being Depreciated           | 805,000             | -                   | -                   | 805,000             |
| Capital Assets Subject to Depreciation       |                     |                     |                     |                     |
| Buildings                                    | 5,620,326           | 10,363              | -                   | 5,630,689           |
| Furniture                                    | 54,498              | -                   | -                   | 54,498              |
| Equipment                                    | 1,538,037           | 99,957              | (418,271)           | 1,219,723           |
| Vehicles                                     | 2,211,565           | 66,326              | (21,000)            | 2,256,891           |
| Total Assets Subject to Depreciation         | 9,424,426           | 176,646             | (439,271)           | 9,161,801           |
| Less: Accumulated Depreciation for:          |                     |                     |                     |                     |
| Buildings                                    | 2,416,903           | 141,984             | -                   | 2,558,887           |
| Furniture                                    | 54,498              | -                   | -                   | 54,498              |
| Equipment                                    | 1,023,337           | 98,788              | (234,033)           | 888,092             |
| Vehicles                                     | 1,025,613           | 153,799             | (21,000)            | 1,158,412           |
| Total Accumulated Depreciation               | 4,520,351           | 394,571             | (255,033)           | 4,659,889           |
| Net Capital Assets Subject to Depreciation   | 4,904,075           | (217,925)           | (184,238)           | 4,501,912           |
| Net Capital Assets - Governmental Activities | <u>\$ 5,709,075</u> | <u>\$ (217,925)</u> | <u>\$ (184,238)</u> | <u>\$ 5,306,912</u> |

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 6 - DEBT COMMITMENTS

#### General Obligation Bonds

The District issued a general obligation bond to provide funds for the construction of major capital facility and purchase of equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of debt transactions for the year ended May 31, 2014:

| Issue             | Balance<br>May 31, 2013 | Increases | Retirement     | Balance<br>May 31, 2014 | Amounts<br>Due Within<br>One Year |
|-------------------|-------------------------|-----------|----------------|-------------------------|-----------------------------------|
| Series 2011 Notes | <u>6,660,000</u>        | <u>-</u>  | <u>275,000</u> | <u>6,385,000</u>        | <u>280,000</u>                    |

During 2011 the District refinanced the 2001 Refunding Bond with a new bond issue, **Fire Protection Notes, Series 2011** ("Notes") in the amount of \$6,875,000. In addition to refinancing their existing bond debt, the District borrowed and additional \$825,000 to be used for the purchase of equipment over the next three years. The Annual principal payments are required each January 1 through 2031. Interest is payable bi-annually on July 1 and January 1 ranging between 2% and 4.25%.

#### General Obligation Bonds

The debt service requirements to maturity are as follows:

| Year Ended May 31 | Principal           | Interest            | Total               |
|-------------------|---------------------|---------------------|---------------------|
| 2015              | 280,000             | 238,781             | 518,781             |
| 2016              | 290,000             | 230,381             | 520,381             |
| 2017              | 300,000             | 221,681             | 521,681             |
| 2018              | 315,000             | 209,681             | 524,681             |
| 2019              | 320,000             | 197,081             | 517,081             |
| 2020-2024         | 1,775,000           | 815,355             | 2,590,355           |
| 2025-2029         | 2,130,000           | 462,495             | 2,592,495           |
| 2030-2031         | <u>975,000</u>      | <u>60,844</u>       | <u>1,035,844</u>    |
|                   | <u>\$ 6,385,000</u> | <u>\$ 2,436,299</u> | <u>\$ 8,821,299</u> |

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

### NOTE 6 - DEBT COMMITMENTS (Continued)

#### Capital Leases

During 2010 the District entered into several lease contracts with Kansas State Bank to provide funds for the acquisition and installation of fire alarm monitoring equipment. The leases calls for quarterly principal payments and interest payments through 2015. Interest is calculated on the unpaid balance at 8.47%

In September 2011 the District entered into a lease contract with Oshkosh Capital to provide financing of the acquisition of a 2011 Pierce Velocity PIC 105' Ladder Truck. The lease calls for annual principal and interest payment through 2026 in the amount of \$75,749 . Interest is calculated on the unpaid balance at 4.17%.

The following is a summary of lease transactions for the year ended May 31, 2014:

| Issue             | Balance<br>May 31, 2013 | Increases   | Retirement        | Balance<br>May 31, 2014 | Amounts<br>Due Within<br>One Year |
|-------------------|-------------------------|-------------|-------------------|-------------------------|-----------------------------------|
| Kansas State Bank | \$ 161,721              | \$ -        | \$ 161,721        | \$ -                    | \$ -                              |
| Oshkosh Capital   | <u>786,920</u>          | <u>-</u>    | <u>42,277</u>     | <u>744,643</u>          | <u>44,076</u>                     |
|                   | <u>\$ 948,641</u>       | <u>\$ -</u> | <u>\$ 203,998</u> | <u>\$ 744,643</u>       | <u>\$ 44,076</u>                  |

The debt service requirements to maturity are as follows:

| Year Ended May 31 | Principal         | Interest          | Total             |
|-------------------|-------------------|-------------------|-------------------|
| 2015              | \$ 44,076         | \$ 31,673         | \$ 75,749         |
| 2016              | 45,950            | 29,799            | 75,749            |
| 2017              | 47,905            | 27,844            | 75,749            |
| 2018              | 49,943            | 25,806            | 75,749            |
| 2019              | 52,067            | 23,682            | 75,749            |
| 2020-2024         | 295,499           | 83,246            | 378,745           |
| 2025-2028         | <u>209,203</u>    | <u>18,044</u>     | <u>227,247</u>    |
|                   | <u>\$ 744,643</u> | <u>\$ 240,094</u> | <u>\$ 984,737</u> |

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 7 - RETIREMENT PLANS

The District contributes to the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Firefighters' Pension Plan, a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

#### Illinois Municipal Retirement Fund

**Plan Description.** The employer'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 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. This report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Fund Policy.** As set by statute, the District's regular plan members are required to contribute 4.5% percent of their annual covered salary. The statutes require 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 2013 was 14.74% percent of annual covered payroll. 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 are set by statute.

**Annual Pension Cost.** For 2013, the District's annual pension of \$28,919 for Regular plan members was equal to the District's required actual contributions.

Three year trend information for the regular plan:

| Actual Valuation Date | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-----------------------|---------------------------|-------------------------------|------------------------|
| 12/31/13              | \$ 28,919                 | 100.00%                       | \$ 0                   |
| 12/31/12              | 29,372                    | 100.00%                       | \$ 0                   |
| 12/31/11              | 26,962                    | 100.00%                       | 0                      |

The required contribution for 2012 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, include (a) 7.5 percent 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 .4% to 10% per year depending on age and service, attribute to seniority/merit; and (d) post retirement benefit increases of 3% annually. The actuarial value of the District Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five (5) 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, 2011 is being amortized as a level percentage of payroll on an open 30 year basis.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 7 - RETIREMENT PLANS (Continued)

#### Illinois Municipal Retirement Fund (Continued)

**Funded Status and Funding Progress.** As of December 31, 2013, the most recent actuarial valuation date, the regular plan was 13.82% funded. The actuarial accrued liability for benefits was \$311,804 and the actuarial value of assets was \$43,093, resulting in an underfunded actuarial accrued liability (UALL) of \$268,711. The covered payroll (annual payroll of active employees covered by the plan) was \$235,353 and the ratio of the UAAL to the covered payroll was 137 percent.

The schedule of funding progress, presented as RSI following the notes to the 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.

#### Firefighter's Pension Plan

**Plan Description.** Sworn fire personnel are covered by the Firefighter's Pension Act. Although this is a single employer pension plan, the defined benefits and employee contribution levels are governed by Illinois State Statute (Chapter 40 ILCS 5/4) and may be amended only by the Illinois legislature. The District accounts for the plan as a pension trust fund, and in accordance with GABS accounts for it as a blended component unit. The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 years or more of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held on the last day of service, or for a period of one year prior to the last day of service, whichever ever is greater. The pension 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefits of a Firefighters' officer hired before January 1, 2011, 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 thereafter. The monthly pension of a Firefighters' officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or 1/2 of the consumer price index.

As of May 31, 2013 the Firefighter's Pension Plan membership consisted of:

|  |                  |
|--|------------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 20               |
| Terminated plan members entitled to but not yet receiving benefits   | 3                |
| Active Plan Members  |                  |
| Vested   | 12               |
| Nonvested  | <u>20</u>        |
| Total  | <u><u>55</u></u> |

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

### NOTE 7 - RETIREMENT PLANS (Continued)

#### Firefighter's Pension Fund (Continued)

**Funding Policy:** Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, by the year 2040, the District's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

**Annual Pension Cost and Net Pension Obligation.** For fiscal year ended May 31, 2014, the District's annual pension cost was \$745,784 for the Firefighter's Pension Plan. The District's actual contribution was \$296,398.

Three year trend information for the Firefighter's Pension Plan (based on the May 31, 2013 actuarial valuation report) :

| Actual Valuation Date | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-----------------------|---------------------------|-------------------------------|------------------------|
| 05/31/13              | \$ 622,651                | 121.30%                       | \$ 502,840             |
| 05/31/12              | N/A                       | N/A                           | N/A                    |
| 05/31/11              | 566,135                   | 68.10%                        | 635,581                |
| 05/31/10              | 406,565                   | 88.40%                        | 454,995                |

The pension liability for the Firefighter's Pension Plan as of May 31, 2013 was:

|   | May 31, 2013 | May 31, 2011 |
|---|--------------|--------------|
| Annual required contribution                  | \$ 613,794   | \$ 557,930   |
| Interest on net pension obligation            | 47,669       | 34,125       |
| Adjustment to annual required contribution    | (38,812)     | (25,920)     |
| Annual pension costs                          | 622,651      | 566,135      |
| Contributions made                            | 755,392      | 385,549      |
| Increase (decrease) in net pension obligation | (132,741)    | 180,586      |
| Net pension obligation                        | 635,581      | 454,995      |
| Annual pension costs                          | \$ 502,840   | \$ 635,581   |

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

### NOTE 7 - RETIREMENT PLANS (Continued)

#### *Annual Pension Costs and Net Pension Obligation (Continued)*

(based on the May 31, 2013 actuarial valuation report)

|                               | <u>May 31, 2013</u>                   | <u>May 31, 2012</u>                   |
|-------------------------------|---------------------------------------|---------------------------------------|
| Contribution rates:           |                                       |                                       |
| District                      | 30.280%                               | 17.040%                               |
| Plan members                  | 9.455%                                | 9.455%                                |
| Annual pension costs          | \$ 622,651                            | \$ 566,135                            |
| Contribution made             | \$ 755,392                            | \$ 385,549                            |
| Actuarial valuation date      | May 31, 2013                          | May 31, 2012                          |
| Actuarial cost method         | Entry age                             | Entry age                             |
| Amortization period           | Level<br>percentage of<br>pay, closed | Level<br>percentage of<br>pay, closed |
| Remaining amortization period | 21 years                              | 21 years                              |
| Asset valuation method        | Market                                | Market                                |
| Actuarial assumptions:        |                                       |                                       |
| Investment rate of return*    | 7.50%                                 | 7.50%                                 |
| Projected salary increases*   | 5.00%                                 | 5.00%                                 |
| (*Includes inflation)         |                                       |                                       |
| Cost of living adjustments    | 3.00%                                 | 3.00%                                 |

**Funded Status and Funding Progress.** As of May 31, 2013, the most recent actuarial valuation date, the Firefighter's Pension Plan was 72.8% funded. The actuarial accrued liability for benefits was \$23,088,180 and the actuarial value of assets was \$16,796,683, resulting in an underfunded actuarial accrued liability (UALL) of \$6,291,497. The covered payroll (annual payroll of active employees covered by the plan) was \$2,494,728 and the ratio of the UAAL to the covered payroll was 252.2%. In 2013, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on a closed 21 year basis.

The schedule of funding progress, presented as RSI following the notes to the 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.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 8- COMMON BANK ACCOUNTS

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

### NOTE 9 - DEFERRED COMPENSATION PLAN

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

During the fiscal year ended May 31, 1999, the plan was converted to a trust in the name of the District's fiduciary agent to comply with amendments to Section 457. In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the District is not required to report the assets and liabilities of the plan on its balance sheet unless it is acting as a fiduciary agent. The District does not act as a fiduciary agent, and therefore removed the agency fund from its balance sheet.

### NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance from private insurance companies to cover these risks. Risks covered include general liability, workers' compensation, medical and other. Premiums have been recorded as expenditures in appropriate funds. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage during the year ended May 31, 2014.

### NOTE 11 - DEFICIT FUND BALANCE

As of May 31, 2014 the corporate funds had a deficit fund balance.

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

For the year ended May 31, 2014, none of the District's funds had an excess of actual expenditures over the legally enacted budget and appropriation ordinance.

### NOTE 13 - JOINT VENTURE

The District is a member of the Southwest United Fire Districts ("SUFD"). The District pays annual contributions to this organization for training and maintenance services provided to the District. During the year ended May 31, 2014, the District paid \$0 to this organization. Southwest United Fire District reimbursed District the \$9,140 for administrative expenses.

# Darien-Woodridge Fire Protection District

## Notes To The Financial Statements

For the Year Ended May 31, 2014

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### NOTE 14 - LEGAL DEBT MARGIN

|   |    |                    |
|---|----|--------------------|
| Assessed Valuation                              | \$ | <u>993,430,659</u> |
| Legal Debt Limits - 5.75% of Assessed Valuation | \$ | 57,122,263         |
| Outstanding Debt                                | \$ | <u>7,129,643</u>   |
| Legal Debt Margin, May 31, 2014                 | \$ | <u>49,992,620</u>  |

### NOTE 15 - CONTINGENCIES

Per administration, the District is not a defendant in any litigation. With regards to other pending matters, the eventual outcome and the related liability, if any, is not determinable at this time. Accordingly, no provision has been made in the accompanying financial statements for settlement costs.

### NOTE 16 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated events and transactions occurring after May 31, 2014 through September 16, 2014, which is the date the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of management's review substantially affect the amounts and disclosure of the accompanying financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

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

### Schedule of Funding Progress

- Illinois Municipal Retirement Fund
- Firefighter's Pension Fund

### Budgetary Comparison Schedule - General Fund

- Ambulance Fund
- Fire Protection Fund

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

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

The working budget is then approved by the Board and adopted. The Board holds public hearings to solicit comments and may add to, subtract from, or change appropriations, but may not change the form of the budget. Prior to August 31, the final budget is passed by an appropriation ordinance.

The tax levy ordinance for the next fiscal year is filed with the County Clerk by the last Tuesday in December to obtain tax revenue.

The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees' approval. No formal supplemental appropriation was made during the fiscal year. The Fire Chief can approve expenditures that exceed any line item of department expenditures of a fund as long as the expenditures does not exceed appropriations. Thus, the legal level of budgetary control is determined by fund.

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

The Budget for fiscal year ended May 31, 2014 was not amended.

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# Darien-Woodridge Fire Protection District

## Required Supplementary Information

For the Year Ended May 31, 2014

### PENSION PLAN COMMITMENT - ILLINOIS MUNICIPAL RETIREMENT FUND

#### SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-1)/c) |
|--------------------------|-------------------------------|---------------------------------------|---------------------------|--------------------|---------------------|---|
| 12/31/13                 | 43,093                        | 311,804                               | 268,711                   | 13.82%             | 196,195             | 136.96%   |
| 12/31/12                 | 408,844                       | 683,137                               | 274,293                   | 59.85%             | 235,353             | 116.55%   |
| 12/31/11                 | 344,275                       | 597,485                               | 253,210                   | 57.62%             | 219,207             | 115.51%   |

On a market basis, the actuarial value of assets as of December 31, 2013 is \$126,697. On a market basis, the funded ratio would be 40.63%.

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

### PENSION PLAN COMMITMENT - FIREFIGHTER'S PENSION FUND

#### SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|---------------------------------------|---------------------------|--------------------|---------------------|---|
| 05/31/14                 | N/A                           | N/A                                   | N/A                       | N/A                | N/A                 | N/A   |
| 05/31/13 (a)             | 16,796,683                    | 23,088,180                            | 6,291,497                 | 72.75%             | 2,494,728           | 252.19%   |
| 05/31/12 (b)             | 15,345,923                    | 23,296,559                            | 7,950,636                 | 65.87%             | 2,529,314           | 314.34%   |
| 05/31/11 (a)             | 14,798,774                    | 20,316,674                            | 5,517,900                 | 72.84%             | 2,300,839           | 239.82%   |
| 05/31/10 (a)             | 13,089,927                    | 18,747,284                            | 5,657,357                 | 69.82%             | 2,209,172           | 256.08%   |
| 05/31/09 (a)             | 11,718,100                    | 16,942,804                            | 5,224,704                 | 69.16%             | 2,093,904           | 249.52%   |
| 05/31/08 (a)             | 12,372,624                    | 14,864,987                            | 2,492,363                 | 83.23%             | 2,066,848           | 120.59%   |
| 05/31/07 (a)             | 12,372,624                    | 14,864,987                            | 2,492,363                 | 83.23%             | 2,066,848           | 120.59%   |

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------|---------------------------|-------------------------------|------------------------|
| 05/31/14           | 745,784                   | 40.01%                        | 950,226                |
| 05/31/13           | 622,651                   | 112.93%                       | 502,840                |
| 05/31/12           | 651,262                   | 84.80%                        | 734,484                |
| 05/31/11           | 566,135                   | 68.10%                        | 635,581                |
| 05/31/10           | 406,565                   | 88.40%                        | 454,995                |
| 05/31/09           | 404,701                   | 70.80%                        | 407,699                |
| 05/31/08           | 367,279                   | 73.10%                        | 289,621                |
| 05/31/07           | 393,357                   | 51.50%                        | 190,768                |

(a) Information taken from actuarial report prepared by Timothy W. Sharpe.

(b) Information taken from actuarial report prepared by Illinois Department of Insurance

**Darien-Woodridge Fire Protection District**  
**Ambulance Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended May 31, 2014**  
**With Comparative Totals For the Year Ended May 31, 2013**

|   | 2014              |                   |                     | Variance<br>With Final<br>Budget | 2013                |
|---|-------------------|-------------------|---------------------|----------------------------------|---------------------|
|   | Budgeted Amounts  |                   | Actual              |                                  | Actual              |
|   | Original          | Final             |                     |                                  |                     |
| <b>Revenues</b>                                     |                   |                   |                     |                                  |                     |
| Property Taxes                                      | \$ 2,663,169      | \$ 2,663,169      | \$ 2,640,280        | \$ (22,889)                      | \$ 2,492,508        |
| Replacement Taxes                                   | 12,900            | 12,900            | 15,741              | 2,841                            | 13,409              |
| Interest Income                                     | 1,044             | 1,044             | 2,288               | 1,244                            | 1,318               |
| Charge for Services                                 | 605,250           | 605,250           | 568,081             | (37,169)                         | 678,243             |
| Fees  | 6,000             | 6,000             | 9,783               | 3,783                            | 9,290               |
| Grants  | 25,269            | 25,269            | 49,697              | 24,428                           | 13,950              |
| SUFD Reimbursements                                 | 4,500             | 4,500             | 4,570               | 70                               | 5,005               |
| Other Income  | 2,250             | 2,250             | 5,941               | 3,691                            | 6,328               |
| <b>Total Revenues</b>                               | <b>3,320,382</b>  | <b>3,320,382</b>  | <b>3,296,381</b>    | <b>(24,001)</b>                  | <b>3,220,051</b>    |
| <b>Expenses</b>                                     |                   |                   |                     |                                  |                     |
| General Administration                              | 81,250            | 81,250            | 76,289              | (4,961)                          | 68,829              |
| Debt Service  |                   |                   |                     |                                  |                     |
| Principal   | 261,050           | 261,050           | 137,501             | (123,549)                        | 107,500             |
| Interest  | -                 | -                 | 123,515             | 123,515                          | 153,591             |
| Communications                                      | 128,528           | 128,528           | 101,754             | (26,774)                         | 119,195             |
| Fire Station  | 82,975            | 82,975            | 85,364              | 2,389                            | 65,417              |
| Mobile Equipment                                    | 15,222            | 15,222            | 15,638              | 416                              | 7,385               |
| Apparatus Maintenance                               | 112,200           | 112,200           | 90,376              | (21,824)                         | 98,936              |
| Training  | 22,900            | 22,900            | 17,192              | (5,708)                          | 7,429               |
| Quartermaster                                       | 33,850            | 33,850            | 32,958              | (892)                            | 26,244              |
| EMS   | 34,110            | 34,110            | 97,965              | 63,855                           | 17,379              |
| Hazardous Materials                                 | 4,399             | 4,399             | 2,558               | (1,841)                          | 1,776               |
| Payroll & Related                                   | 2,189,200         | 2,189,200         | 2,244,823           | 55,623                           | 2,109,555           |
| Health & Safety                                     | 25,025            | 25,025            | 32,153              | 7,128                            | 17,610              |
| Public Education                                    | 81,200            | 81,200            | 96,532              | 15,332                           | 74,980              |
| Portable Equipment                                  | 6,465             | 6,465             | 2,738               | (3,727)                          | 3,672               |
| Rescue Specialist Team                              | 1,505             | 1,505             | 678                 | (827)                            | 1,342               |
| <b>Total Expenditures</b>                           | <b>3,079,879</b>  | <b>3,079,879</b>  | <b>3,158,034</b>    | <b>78,155</b>                    | <b>2,880,840</b>    |
| Excess (Deficiency) of Revenue<br>over Expenditures | 240,503           | 240,503           | 138,347             | (102,156)                        | 339,211             |
| <b>Other Financing Sources (Uses)</b>               |                   |                   |                     |                                  |                     |
| Sale of Assets                                      | 3,000             | 3,000             | 57,500              | 54,500                           | -                   |
| <b>Total Other Financing Sources</b>                | <b>3,000</b>      | <b>3,000</b>      | <b>57,500</b>       | <b>54,500</b>                    | <b>-</b>            |
| <b>Net Change in Fund Balance</b>                   | <b>\$ 243,503</b> | <b>\$ 243,503</b> | <b>195,847</b>      | <b>\$ (47,656)</b>               | <b>339,211</b>      |
| <b>Fund Balance</b>                                 |                   |                   |                     |                                  |                     |
| Beginning of Year                                   |                   |                   | 3,341,372           |                                  | 3,002,161           |
| End of Year   |                   |                   | <u>\$ 3,537,219</u> |                                  | <u>\$ 3,341,372</u> |

**Darien-Woodridge Fire Protection District**  
**Fire Protection Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended May 31, 2014**  
**With Comparative Totals For the Year Ended May 31, 2013**

|   | 2014             |              |              | Variance<br>With Final<br>Budget | 2013         |
|---|------------------|--------------|--------------|----------------------------------|--------------|
|   | Budgeted Amounts |              | Actual       |                                  | Actual       |
|   | Original         | Final        |              |                                  |              |
| Revenues  |                  |              |              |                                  |              |
| Property Taxes                                      | \$ 2,934,957     | \$ 2,934,957 | \$ 2,876,564 | \$ (58,393)                      | \$ 3,264,939 |
| Replacement Taxes                                   | 14,220           | 14,220       | 17,348       | 3,128                            | 18,066       |
| Interest Income                                     | 1,045            | 1,045        | 2,295        | 1,250                            | 1,324        |
| Charge for Services                                 | 105,250          | 105,250      | 41,415       | (63,835)                         | 156,388      |
| Fees  | 6,000            | 6,000        | 9,783        | 3,783                            | 9,290        |
| Grants  | 25,269           | 25,269       | 49,697       | 24,428                           | 13,950       |
| SUFD Reimbursements                                 | 4,500            | 4,500        | 4,570        | 70                               | 5,005        |
| Other Income  | 2,250            | 2,250        | 6,088        | 3,838                            | 6,327        |
| Total Revenues                                      | 3,093,491        | 3,093,491    | 3,007,760    | (85,731)                         | 3,475,289    |
| Expenses  |                  |              |              |                                  |              |
| General Administration                              | 81,250           | 81,250       | 76,930       | (4,320)                          | 68,939       |
| Debt Service  |                  |              |              |                                  |              |
| Principal   | 261,050          | 261,050      | 137,500      | (123,550)                        | 107,500      |
| Interest  | -                | -            | 123,516      | 123,516                          | 153,591      |
| Communications                                      | 128,528          | 128,528      | 101,753      | (26,775)                         | 119,159      |
| Fire Station  | 82,975           | 82,975       | 85,364       | 2,389                            | 65,970       |
| Mobile Equipment                                    | 15,222           | 15,222       | 14,854       | (368)                            | 7,385        |
| Apparatus Maintenance                               | 112,200          | 112,200      | 90,373       | (21,827)                         | 98,937       |
| Training  | 22,900           | 22,900       | 16,941       | (5,959)                          | 7,429        |
| Quartermaster                                       | 33,850           | 33,850       | 32,858       | (992)                            | 26,145       |
| Fire Investigations                                 | 20,942           | 20,942       | 5,494        | (15,448)                         | 2,876        |
| Hazardous Materials                                 | 4,399            | 4,399        | 2,558        | (1,841)                          | 1,776        |
| Payroll & Related                                   | 2,189,200        | 2,189,200    | 2,232,433    | 43,233                           | 2,146,797    |
| Pension Plan Payment                                | 292,100          | 292,100      | 296,398      | 4,298                            | 755,392      |
| Health & Safety                                     | 25,025           | 25,025       | 32,153       | 7,128                            | 17,611       |
| Public Education                                    | 81,200           | 81,200       | 96,532       | 15,332                           | 74,980       |
| Portable Equipment                                  | 6,465            | 6,465        | 2,738        | (3,727)                          | 3,672        |
| Rescue Specialist Team                              | 1,505            | 1,505        | 678          | (827)                            | 1,342        |
| Total Expenditures                                  | 3,358,811        | 3,358,811    | 3,349,073    | (9,738)                          | 3,659,501    |
| Excess (Deficiency) of Revenue<br>over Expenditures | (265,320)        | (265,320)    | (341,313)    | (75,993)                         | (184,212)    |
| Other Financing Sources (Uses)                      |                  |              |              |                                  |              |
| Sale of Assets                                      | 3,000            | 3,000        | 57,500       | 54,500                           | -            |
| Total Other Financing Sources                       | 3,000            | 3,000        | 57,500       | 54,500                           | -            |
| Net Change in Fund Balance                          | \$ (262,320)     | \$ (262,320) | (283,813)    | \$ (21,493)                      | (184,212)    |
| Fund Balance  |                  |              |              |                                  |              |
| Beginning of Year                                   |                  |              | 17,490       |                                  | 201,702      |
| End of Year   |                  |              | \$ (266,323) |                                  | \$ 17,490    |

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## **NON-MAJOR FUNDS**

**Payroll Taxes and IMRF** - The Payroll Taxes and IMRF Fund accounts for the District's participation in the Illinois Municipal Retirement Fund and contributions to employee social security benefits. Financing is provided by a specific annual property tax levy which provided a sufficient amount to pay the District's contributions on behalf of its employees.

**Tort Liability** - The Tort Liability Fund accounts for the operations of the District's insurance and risk management activities. Financing is provided by an annual tax levy.

**Audit** - The Audit Fund accounts for revenues derived from a specific property tax levy and expenditures of these monies for the District's annual audit.

**Debt Service** - The Debt Service Fund accounts for the accumulation of resources for the payment of bond principal, interest, and related costs.

**Capital Replacement Fund** - The Capital Replacement Fund accounts for the accumulation of resources for the future replacement/purchase of capital equipment.

**Foreign Fire Insurance Board** - The Foreign Fire Insurance Board accounts for the accumulation of resources for the purpose of expensing funds received for the maintenance and benefit of the District.

# Darien-Woodridge Fire Protection District

## Non-Major Funds

### Combining Balance Sheet

May 31, 2014

With Comparative Totals for 2013

|  | Special Revenue Funds  |                   |                  |                        |                           |                   | Totals              |                     |
|--|------------------------|-------------------|------------------|------------------------|---------------------------|-------------------|---------------------|---------------------|
|  | Payroll Taxes and IMRF | Tort Liability    | Audit            | Foreign Fire Insurance | Capital Replacements Fund | Debt Service      | 2014                | 2013                |
| <b>ASSETS</b>  |                        |                   |                  |                        |                           |                   |                     |                     |
| Cash & Cash Equivalents  | \$ 68,589              | \$ -              | \$ 4,175         | \$ 12,693              | \$ 198,685                | \$ 287,303        | \$ 571,445          | \$ 365,655          |
| Receivables:   |                        |                   |                  |                        |                           |                   |                     |                     |
| Property Taxes   | 117,225                | 351,674           | 8,941            | -                      | -                         | -                 | 477,840             | 588,363             |
| Prepaid Expenses   | -                      | 55,456            | -                | -                      | -                         | -                 | 55,456              | 56,830              |
| <b>Total Assets</b>  | <b>\$ 185,814</b>      | <b>\$ 407,130</b> | <b>\$ 13,116</b> | <b>\$ 12,693</b>       | <b>\$ 198,685</b>         | <b>\$ 287,303</b> | <b>\$ 1,104,741</b> | <b>\$ 1,010,848</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>      |                        |                   |                  |                        |                           |                   |                     |                     |
| Liabilities  |                        |                   |                  |                        |                           |                   |                     |                     |
| Accounts Payable   | \$ -                   | \$ -              | \$ -             | \$ -                   | \$ -                      | \$ -              | \$ -                | \$ 8,040            |
| Bank Overdrafts  | -                      | 101,359           | -                | -                      | -                         | -                 | 101,359             | -                   |
| <b>Total Liabilities</b>   | <b>-</b>               | <b>101,359</b>    | <b>-</b>         | <b>-</b>               | <b>-</b>                  | <b>-</b>          | <b>101,359</b>      | <b>8,040</b>        |
| Deferred Inflows of Resources  |                        |                   |                  |                        |                           |                   |                     |                     |
| Unearned Property Tax Revenue  | 58,612                 | 175,837           | 4,470            | -                      | -                         | -                 | 238,919             | 294,181             |
| <b>Total Deferred Inflows of Resources</b>                               | <b>58,612</b>          | <b>175,837</b>    | <b>4,470</b>     | <b>-</b>               | <b>-</b>                  | <b>-</b>          | <b>238,919</b>      | <b>294,181</b>      |
| Fund Balance   |                        |                   |                  |                        |                           |                   |                     |                     |
| Nonspendable   |                        |                   |                  |                        |                           |                   |                     |                     |
| Prepaid Items  | -                      | 55,456            | -                | -                      | -                         | -                 | 55,456              | 56,830              |
| Restricted for:  |                        |                   |                  |                        |                           |                   |                     |                     |
| Special Revenue  | 127,202                | 74,478            | 8,646            | 12,693                 | 198,685                   | 287,303           | 709,007             | 651,797             |
| <b>Total Fund Balance</b>  | <b>127,202</b>         | <b>129,934</b>    | <b>8,646</b>     | <b>12,693</b>          | <b>198,685</b>            | <b>287,303</b>    | <b>764,463</b>      | <b>708,627</b>      |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b> | <b>\$ 185,814</b>      | <b>\$ 407,130</b> | <b>\$ 13,116</b> | <b>\$ 12,693</b>       | <b>\$ 198,685</b>         | <b>\$ 287,303</b> | <b>\$ 1,104,741</b> | <b>\$ 1,010,848</b> |

# Darien-Woodridge Fire Protection District

## Non-Major Funds

### Combining Schedule of Revenue, Expenditures and Changes in Fund Balance

For the Year Ended May 31, 2014

With Comparative Total For the Year Ended May 31, 2013

|  | Special Revenue Funds  |                |              |                        |                           |              | Totals         |                |
|--|------------------------|----------------|--------------|------------------------|---------------------------|--------------|----------------|----------------|
|  | Payroll Taxes and IMRF | Tort Liability | Audit        | Foreign Fire Insurance | Capital Replacements Fund | Debt Service | 2014           | 2013           |
| <b>Revenues</b>                                  |                        |                |              |                        |                           |              |                |                |
| Property Taxes                                   | \$ 130,773             | \$ 398,692     | \$ 8,715     | \$ -                   | \$ -                      | \$ -         | \$ 538,180     | \$ 596,138     |
| Replacement Taxes                                | 847                    | 2,615          | 50           | -                      | -                         | -            | 3,512          | 3,449          |
| Interest Income                                  | 4                      | 11             | -            | -                      | 227                       | -            | 242            | 313            |
| SUFD Reimbursements                              | -                      | -              | -            | -                      | 51,374                    | -            | 51,374         | -              |
| Other Income                                     | -                      | -              | -            | 16,014                 | 4,250                     | -            | 20,264         | 75,910         |
| <b>Total Revenues</b>                            | <b>131,624</b>         | <b>401,318</b> | <b>8,765</b> | <b>16,014</b>          | <b>55,851</b>             | <b>-</b>     | <b>613,572</b> | <b>675,810</b> |
| <b>Expenses</b>                                  |                        |                |              |                        |                           |              |                |                |
| Payroll taxes & IMRF                             | 114,891                | -              | -            | -                      | -                         | -            | 114,891        | 130,151        |
| Tort Liability Insurance                         | -                      | 336,497        | -            | -                      | -                         | -            | 336,497        | 354,732        |
| Audit  | -                      | -              | 7,150        | -                      | -                         | -            | 7,150          | 7,150          |
| Capital Projects                                 | -                      | -              | -            | -                      | 88,178                    | -            | 88,178         | 188,872        |
| Foreign Fire Insurance                           | -                      | -              | -            | 11,020                 | -                         | -            | 11,020         | 14,337         |
| <b>Total Expenditures</b>                        | <b>114,891</b>         | <b>336,497</b> | <b>7,150</b> | <b>11,020</b>          | <b>88,178</b>             | <b>-</b>     | <b>557,736</b> | <b>695,242</b> |
| Excess (Deficiency) of Revenue over Expenditures | 16,733                 | 64,821         | 1,615        | 4,994                  | (32,327)                  | -            | 55,836         | (19,432)       |
| Other Financing Sources (Uses)                   |                        |                |              |                        |                           |              |                |                |
| Net Change in Fund Balance                       | 16,733                 | 64,821         | 1,615        | 4,994                  | (32,327)                  | -            | 55,836         | (19,432)       |
| <b>Fund Balance</b>                              |                        |                |              |                        |                           |              |                |                |
| Beginning of Year                                | 110,469                | 65,113         | 7,031        | 7,699                  | 231,012                   | 287,303      | 708,627        | 728,059        |
| End of Year                                      | \$ 127,202             | \$ 129,934     | \$ 8,646     | \$ 12,693              | \$ 198,685                | \$ 287,303   | \$ 764,463     | \$ 708,627     |

**Darien-Woodridge Fire Protection District**  
**Payroll Taxes and IMRF Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended May 31, 2014**  
**With Comparative Totals For the Year Ended May 31, 2013**

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|                            | 2014             |                  |                   | Variance<br>With Final<br>Budget | 2013              |
|----------------------------|------------------|------------------|-------------------|----------------------------------|-------------------|
|                            | Budgeted Amounts |                  | Actual            |                                  | Actual            |
|                            | Original         | Final            |                   |                                  |                   |
| Revenues                   |                  |                  |                   |                                  |                   |
| Property Taxes             | \$ 143,271       | \$ 143,271       | \$ 130,773        | \$ (12,498)                      | \$ 149,536        |
| Replacement Taxes          | 695              | 695              | 847               | 152                              | 898               |
| Interest Income            | <u>3</u>         | <u>3</u>         | <u>4</u>          | <u>1</u>                         | <u>1</u>          |
| Total Revenues             | 143,969          | 143,969          | 131,624           | (12,345)                         | 150,435           |
| Expenses                   |                  |                  |                   |                                  |                   |
| IMRF Expense               | 18,000           | 18,000           | 20,676            | 2,676                            | 31,831            |
| Payroll Taxes              | <u>100,000</u>   | <u>100,000</u>   | <u>94,215</u>     | <u>(5,785)</u>                   | <u>98,320</u>     |
| Total Expenditures         | <u>118,000</u>   | <u>118,000</u>   | <u>114,891</u>    | <u>(3,109)</u>                   | <u>130,151</u>    |
| Net Change in Fund Balance | <u>\$ 25,969</u> | <u>\$ 25,969</u> | 16,733            | <u>\$ (9,236)</u>                | 20,284            |
| Fund Balance               |                  |                  |                   |                                  |                   |
| Beginning of Year          |                  |                  | <u>110,469</u>    |                                  | <u>90,185</u>     |
| End of Year                |                  |                  | <u>\$ 127,202</u> |                                  | <u>\$ 110,469</u> |

**Darien-Woodridge Fire Protection District**  
**Tort Liability Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended May 31, 2014**  
**With Comparative Totals For the Year Ended May 31, 2013**

|                            | 2014             |            |            |                                  | 2013       |
|----------------------------|------------------|------------|------------|----------------------------------|------------|
|                            | Budgeted Amounts |            | Actual     | Variance<br>With Final<br>Budget | Actual     |
|                            | Original         | Final      |            |                                  |            |
| Revenues                   |                  |            |            |                                  |            |
| Property Taxes             | \$ 442,460       | \$ 442,460 | \$ 398,692 | \$ (43,768)                      | \$ 437,341 |
| Replacement Taxes          | 2,145            | 2,145      | 2,615      | 470                              | 2,493      |
| Interest Income            | 8                | 8          | 11         | 3                                | 3          |
| Total Revenues             | 444,613          | 444,613    | 401,318    | (43,295)                         | 439,837    |
| Expenses                   |                  |            |            |                                  |            |
| Worker's Compensation      | 400,000          | 400,000    | 288,605    | (111,395)                        | 306,641    |
| Vehicle Insurance          | 12,000           | 12,000     | 10,970     | (1,030)                          | 10,877     |
| General Liability          | 37,000           | 37,000     | 35,580     | (1,420)                          | 35,819     |
| Accident & Sickness        | 2,000            | 2,000      | 1,342      | (658)                            | 1,395      |
| Total Expenditures         | 451,000          | 451,000    | 336,497    | (114,503)                        | 354,732    |
| Net Change in Fund Balance | \$ (6,387)       | \$ (6,387) | 64,821     | \$ 71,208                        | 85,105     |
| Fund Balance               |                  |            |            |                                  |            |
| Beginning of Year          |                  |            | 65,113     |                                  | (19,992)   |
| End of Year                |                  |            | \$ 129,934 |                                  | \$ 65,113  |

**Darien-Woodridge Fire Protection District**  
**Audit Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended May 31, 2014**  
**With Comparative Totals For the Year Ended May 31, 2013**

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|                            | 2014             |          |          | Variance<br>With Final<br>Budget | 2013     |
|----------------------------|------------------|----------|----------|----------------------------------|----------|
|                            | Budgeted Amounts |          | Actual   |                                  | Actual   |
|                            | Original         | Final    |          |                                  |          |
| Revenues                   |                  |          |          |                                  |          |
| Property Taxes             | \$ 8,425         | \$ 8,425 | \$ 8,715 | \$ 290                           | \$ 9,261 |
| Replacement Taxes          | 40               | 40       | 50       | 10                               | 58       |
| Interest Income            | 1                | 1        | -        | (1)                              | -        |
| Total Revenues             | 8,466            | 8,466    | 8,765    | 299                              | 9,319    |
| Expenses                   |                  |          |          |                                  |          |
| Audit                      | 8,000            | 8,000    | 7,150    | (850)                            | 7,150    |
| Total Expenditures         | 8,000            | 8,000    | 7,150    | (850)                            | 7,150    |
| Net Change in Fund Balance | \$ 466           | \$ 466   | 1,615    | \$ 1,149                         | 2,169    |
| Fund Balance               |                  |          |          |                                  |          |
| Beginning of Year          |                  |          | 7,031    |                                  | 4,862    |
| End of Year                |                  |          | \$ 8,646 |                                  | \$ 7,031 |

**Darien-Woodridge Fire Protection District**  
**Debt Service Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended May 31, 2014**  
**With Comparative Totals For the Year Ended May 31, 2013**

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|                            | 2014             |       |            | Variance<br>With Final<br>Budget | 2013       |
|----------------------------|------------------|-------|------------|----------------------------------|------------|
|                            | Budgeted Amounts |       | Actual     |                                  | Actual     |
|                            | Original         | Final |            |                                  |            |
| <b>Revenues</b>            |                  |       |            |                                  |            |
| Total Revenues             | \$ 0             | \$ 0  | \$ 0       | \$ 0                             | \$ 0       |
| <b>Expenses</b>            |                  |       |            |                                  |            |
| Total Expenditures         | 0                | 0     | 0          | 0                                | 0          |
| Net Change in Fund Balance | \$ 0             | \$ 0  | 0          | \$ 0                             | 0          |
| <b>Fund Balance</b>        |                  |       |            |                                  |            |
| Beginning of Year          |                  |       | 287,303    |                                  | 287,303    |
| End of Year                |                  |       | \$ 287,303 |                                  | \$ 287,303 |

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**SUPPLEMENTAL INFORMATION  
and  
STATISTICAL SECTION**

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**Darien-Woodridge Fire Protection District**  
**Statistical Comparison of Property Taxes Levied to Property Taxes Collected**  
**Tax Years 2013-2008**  
**May 31, 2014**

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|   | 2013                | 2012                | 2011                | 2010                | 2009                | 2008                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assessed Valuation                        | \$ 993,430,659      | \$ 1,043,196,339    | \$ 1,134,815,276    | \$ 1,183,079,767    | \$ 1,251,861,647    | \$ 1,254,956,142    |
| <b>Tax Rates</b>                          |                     |                     |                     |                     |                     |                     |
| Fire Protection                           | 0.2521              | 0.2506              | 0.2134              | 0.2037              | 0.1976              | 0.2018              |
| Ambulance                                 | 0.2615              | 0.2528              | 0.2076              | 0.1973              | 0.1838              | 0.1805              |
| Pension                                   | 0.0706              | 0.0280              | 0.0663              | 0.0465              | 0.0306              | 0.0281              |
| Audit                                     | 0.0009              | 0.0008              | 0.0009              | 0.0008              | 0.0007              | 0.0005              |
| Payroll Taxes and IMRF                    | 0.0118              | 0.0136              | 0.0098              | 0.0129              | 0.0119              | 0.0112              |
| Tort Liability                            | 0.0354              | 0.0420              | 0.0386              | 0.0360              | 0.0306              | 0.0298              |
| <b>Total Tax Rates</b>                    | <b>0.6323</b>       | <b>0.5878</b>       | <b>0.5366</b>       | <b>0.4972</b>       | <b>0.4552</b>       | <b>0.4519</b>       |
| <b>Tax Extension</b>                      |                     |                     |                     |                     |                     |                     |
| Fire Protection                           | \$ 2,504,439        | \$ 2,614,250        | \$ 2,421,696        | \$ 2,409,933        | \$ 2,473,678        | \$ 2,532,501        |
| Ambulance                                 | 2,597,821           | 2,637,200           | 2,355,877           | 2,334,216           | 2,300,922           | 2,265,196           |
| Pension                                   | 701,362             | 292,095             | 752,383             | 550,132             | 383,070             | 352,643             |
| Audit                                     | 8,941               | 8,346               | 10,213              | 9,465               | 8,763               | 6,275               |
| Payroll Taxes and IMRF                    | 117,225             | 141,875             | 157,739             | 152,617             | 148,971             | 140,555             |
| Tort Liability                            | 351,674             | 438,142             | 438,039             | 425,909             | 383,070             | 373,977             |
| <b>Total Tax Extension</b>                | <b>\$ 6,281,462</b> | <b>\$ 6,131,908</b> | <b>\$ 6,135,947</b> | <b>\$ 5,882,272</b> | <b>\$ 5,698,474</b> | <b>\$ 5,671,147</b> |
| <b>Amount Collected</b>                   |                     | <b>\$ 6,129,219</b> | <b>\$ 6,124,318</b> | <b>\$ 5,697,400</b> | <b>\$ 5,312,448</b> | <b>\$ 5,662,494</b> |
| <b>Percentage of Extensions Collected</b> |                     | <b>99.96%</b>       | <b>99.81%</b>       | <b>96.86%</b>       | <b>93.23%</b>       | <b>99.85%</b>       |