

**NORTHERN ILLINOIS ALLIANCE OF  
FIRE PROTECTION DISTRICTS**

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2021**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Northern Illinois Alliance of Fire Protection Districts  
LaGrange, Illinois

We have reviewed the accompanying financial statements of NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS (an Illinois Nonprofit Organization), which comprise the statements of assets and net assets as of October 31, 2021 and 2020, and the related statements of revenues, expenses and other changes in net assets, and cash flows for the years then ended, all on the modified cash basis of accounting, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

### **Supplementary Information**

The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Warady & Davis LLP

July 26, 2022

NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS

STATEMENTS OF ASSETS AND NET ASSETS

Modified Cash Basis

As of October 31

**2021**

2020

**ASSETS**

CURRENT ASSETS

Cash in Bank

\$ 144,237

\$ 173,166

**NET ASSETS - UNRESTRICTED**

\$ 144,237

\$ 173,166

NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS

STATEMENTS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS

Modified Cash Basis

For the Years Ended October 31

2021

2020

UNRESTRICTED NET ASSETS AND REVENUES

Revenues

NIAFPD Conference	\$ 8,409	\$ 95,211
Membership Dues	16,500	26,975
Associate Membership Dues	7,000	15,050
Lobbyist Assessments	18,967	29,354
Conference Sponsors	2,770	39,305
Legislative Meetings	—	3,753
Fall Seminar	—	150
Bank Service Fee Refund	10	—
Interest Income	14	40
	<b>53,670</b>	<b>209,838</b>

Expenses

Program Services		
NIAFPD Conference	14,421	90,129
Board of Directors Meeting Expense	—	90
Newsletter	4,255	5,738
Lobbyist Contract	17,000	20,935
Education Program	—	135
Legislative Meetings	—	338
Polo Shirts	—	112
	<b>35,676</b>	<b>117,477</b>

Supporting Services

Awards	63	410
Credit Card Fees	1,095	3,437
Executive Director	28,500	26,000
Filing and Registration Fees	323	11
Income Taxes	—	61
Liability Insurance	323	3,795
Office	2,044	3,823
Outside Organization Support	—	935
Payroll Taxes	3,364	2,875
Professional Fees	5,060	4,250
Travel	2,039	1,241
Website	4,112	3,926
	<b>46,923</b>	<b>50,764</b>

Total Expenses	<b>82,599</b>	<b>168,241</b>
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INCREASE (DECREASE) IN NET ASSETS	<b>(28,929)</b>	41,597
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Net Assets at Beginning of Year	<b>173,166</b>	131,569
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NET ASSETS AT END OF YEAR	<b>\$ 144,237</b>	<b>\$ 173,166</b>
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NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS

STATEMENTS OF CASH FLOWS

Modified Cash Basis

For the Years Ended October 31

**2021**

2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Members and Associates

\$ **53,656**      \$ 209,798

Interest Income

**14**                      40

Cash Paid for Program and Supporting Services

**(82,599)**              (168,241)

Net Cash Provided (Used) by Operating Activities

**(28,929)**                      41,597

Cash, Beginning

**173,166**                      131,569

**CASH, ENDING**

**\$ 144,237**                      \$ 173,166

NOTES TO FINANCIAL STATEMENTS

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**NATURE OF ORGANIZATION**

Northern Illinois Alliance of Fire Protection Districts (Alliance) was incorporated under Illinois law as a not-for-profit corporation and is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code, except for income earned on investment activity. The Alliance was established in order to:

- Educate its members and the public regarding the functions and responsibilities of fire protection districts as prescribed by law.
- Ensure adequate resources to fund local fire protection, rescue and emergency medical programs.
- Monitor and impact legislation affecting the operation and effectiveness of the services they provide residents of the districts, including all pertinent state mandates that affect fire protection districts.

Revenue is derived from Alliance-sponsored events and membership dues.

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

This summary of significant accounting policies is presented to assist in understanding the Alliance's financial statements. The financial statements and notes are representations of management who is responsible for their integrity and objectivity.

**BASIS OF PREPARATION**

The Alliance's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Consequently, revenues are recognized when collected instead of when earned and expenses when paid instead of when incurred. Amounts due to and from other parties are not included in these financial statements.

**NOTE 2—FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of revenues, expenses and other changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 3—TAX-EXEMPT STATUS**

The Alliance is exempt from federal income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code. The Alliance is subject to federal income taxes on its net investment income as a result of its legislative affiliation.

**NOTE 4—SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 26, 2022, the date which the financial statements were available for issue. There were no subsequent events which require disclosure.



## **SUPPLEMENTARY INFORMATION**

NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS

SCHEDULE OF ACTUAL AND BUDGETED REVENUES AND EXPENSES

Modified Cash Basis

For the Year Ended October 31, 2021

	Actual	Budgeted	(Unreviewed) Actual Over (Under) Variance
<b>REVENUES</b>			
NIAFPD Conference.....	\$ 8,409	\$ 66,000	\$ (57,591)
Membership Dues.....	16,500	26,000	(9,500)
Associate Membership Dues.....	7,000	15,000	(8,000)
Lobbyist Assessments.....	18,967	27,500	(8,533)
Conference Sponsors.....	2,770	33,500	(30,730)
Bank Service Fee Refund.....	10	—	10
Interest Income.....	14	—	14
	<u>53,670</u>	<u>168,000</u>	<u>(114,330)</u>
<b>EXPENSES</b>			
<b>Program Services</b>			
NIAFPD Conference.....	14,421	70,000	(55,579)
Board of Directors Expense.....	—	800	(800)
Newsletter.....	4,255	7,000	(2,745)
Lobbyist Contract.....	17,000	25,000	(8,000)
PAC Fund Donation.....	—	8,000	(8,000)
Education Program.....	—	500	(500)
Legislative Meeting.....	—	5,300	(5,300)
	<u>35,676</u>	<u>116,600</u>	<u>(80,924)</u>
<b>Supporting Services</b>			
Awards.....	63	500	(437)
Bank Charges.....	—	100	(100)
Credit Card Fees.....	1,095	3,500	(2,405)
Executive Director.....	28,500	26,000	2,500
Filing and Registration Fees.....	323	100	223
Liability Insurance.....	323	4,100	(3,777)
Office.....	2,044	3,450	(1,406)
Outside Organization Support.....	—	4,500	(4,500)
Payroll Taxes.....	3,364	10,800	(7,436)
Professional Fees.....	5,060	5,500	(440)
Travel.....	2,039	1,000	1,039
Website.....	4,112	4,000	112
	<u>46,923</u>	<u>63,550</u>	<u>(16,627)</u>
<b>Total Expenses.....</b>	<b>82,599</b>	<b>180,150</b>	<b>(97,551)</b>
<b>DECREASE IN NET ASSETS</b>	<b>\$ (28,929)</b>	<b>\$ (12,150)</b>	<b>\$ (16,779)</b>