

**NORTHERN ILLINOIS ALLIANCE OF
FIRE PROTECTION DISTRICTS**

FINANCIAL STATEMENTS

OCTOBER 31, 2020

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT 3-4

FINANCIAL STATEMENTS - MODIFIED CASH BASIS

Statements of Assets and Net Assets 5

Statements of Revenues, Expenses and Other Changes in Net Assets..... 6

Statements of Cash Flows 7

Notes to Financial Statements..... 8

SUPPLEMENTARY INFORMATION - MODIFIED CASH BASIS

Schedule of Actual and Budgeted Revenues and Expenses 10



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Northern Illinois Alliance of Fire Protection Districts
Buffalo Grove, 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, 2020 and 2019, 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.

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

February 2, 2021

NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS

STATEMENTS OF ASSETS AND NET ASSETS

Modified Cash Basis

As of October 31

2020

2019

ASSETS

CURRENT ASSETS

Cash in Bank

\$ 173,166

\$ 131,569

NET ASSETS

\$ 173,166

\$ 131,569

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

2020

2019

UNRESTRICTED NET ASSETS AND REVENUES

Revenues

NIAFPD Conference	\$ 95,211	\$ 95,131
Membership Dues	26,975	21,321
Associate Membership Dues	15,050	7,700
Lobbyist Assessments	29,354	22,517
Conference Sponsors	39,305	42,693
Legislative Meetings	3,753	—
Fall Seminar	150	—
Interest Income	40	1,244
	209,838	190,606

Expenses

Program Services		
NIAFPD Conference	90,129	80,024
Board of Directors Meeting Expense	90	732
Newsletter	5,738	6,344
Lobbyist Contract	20,935	18,700
PAC Fund Donation	—	301
Education Program	135	—
Legislative Meetings	338	10,617
Polo Shirts	112	—
	117,477	116,718

Supporting Services

Awards	410	440
Credit Card Fees	3,437	2,795
Executive Director	26,000	25,500
Filing and Registration Fees	11	16
Income Taxes	61	155
Liability Insurance	3,795	4,198
Office	3,823	8,546
Outside Organization Support	935	4,353
Payroll Taxes	2,875	2,159
Professional Fees	4,250	4,000
Travel	1,241	229
Website	3,926	4,858
	50,764	57,249

Total Expenses

168,241 **173,967**

INCREASE IN NET ASSETS

41,597 16,639

Net Assets at Beginning of Year

131,569 114,930

NET ASSETS AT END OF YEAR

\$ 173,166 **\$ 131,569**

NORTHERN ILLINOIS ALLIANCE OF FIRE PROTECTION DISTRICTS

STATEMENTS OF CASH FLOWS

Modified Cash Basis

For the Years Ended October 31

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Members and Associates	\$ 209,798	\$ 189,362
Interest Income	40	1,244
Cash Paid for Program and Supporting Services	(168,241)	(173,967)
Net Cash Provided by Operating Activities	41,597	16,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemptions of Certificates of Deposit	—	51,340
NET INCREASE IN CASH	41,597	67,979
Cash, Beginning	131,569	63,590
CASH, ENDING	\$ 173,166	\$ 131,569

NOTES TO FINANCIAL STATEMENTS

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 February 2, 2021, 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, 2020

	(Unreviewed)		
	Actual	Budgeted	Actual Over (Under) Variance
REVENUES			
NIAFPD Conference.....	\$ 95,211	\$ 92,000	\$ 3,211
Membership Dues.....	26,975	21,000	5,975
Associate Membership Dues.....	15,050	13,300	1,750
Lobbyist Assessments.....	29,354	24,000	5,354
Conference Sponsors.....	39,305	35,000	4,305
Legislative Meetings.....	3,753	—	3,753
Fall Seminar.....	150	—	150
Interest Income.....	40	100	(60)
	<u>209,838</u>	<u>185,400</u>	<u>24,438</u>
EXPENSES			
Program Services			
NIAFPD Conference.....	90,129	80,000	10,129
Board of Directors Expense.....	90	800	(710)
Newsletter.....	5,738	7,000	(1,262)
Lobbyist Contract.....	20,935	23,775	(2,840)
PAC Fund Donation.....	—	9,975	(9,975)
Meeting Room Rental.....	—	—	—
Education Program.....	135	500	(365)
Legislative Meeting.....	338	7,200	(6,862)
Polo Shirts.....	112	—	112
	<u>117,477</u>	<u>129,250</u>	<u>(11,773)</u>
Supporting Services			
Awards.....	410	500	(90)
Bank Charges.....	—	100	(100)
Credit Card Fees.....	3,437	2,700	737
Executive Director.....	26,000	26,000	—
Filing and Registration Fees.....	11	100	(89)
Income Taxes.....	61	—	61
Liability Insurance.....	3,795	4,100	(305)
Marketing.....	—	500	—
Office.....	3,823	2,350	1,473
Outside Organization Support.....	935	4,500	(3,565)
Payroll Taxes.....	2,875	10,800	(7,925)
Professional Fees.....	4,250	4,750	(500)
Travel.....	1,241	200	1,041
Website.....	3,926	4,000	(74)
	<u>50,764</u>	<u>60,600</u>	<u>(9,336)</u>
Total Expenses.....	168,241	189,850	(21,109)
INCREASE (DECREASE) IN NET ASSETS	\$ 41,597	\$ (4,450)	\$ 45,547