

NEW LENOX FIRE PROTECTION DISTRICT

NEW LENOX, ILLINOIS

ANNUAL FINANCIAL REPORT

with

INDEPENDENT AUDITORS' REPORT

for the year ended December 31, 2014

Weber & Associates CPAs, LLC

Certified Public Accountants

NEW LENOX FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
New Lenox Fire Protection District
New Lenox, Illinois

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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.

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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the New Lenox Fire Protection District as of December 31, 2014, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on 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 opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Lenox Fire Protection District's basic financial statements. The supplementary information, and the supplemental data listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplemental data listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this information.

Wisher & Associates

Aurora, Illinois
June 15, 2015

NEW LENOX FIRE PROTECTION DISTRICT
Statement of Net Position - Modified Cash Basis
December 31, 2014

	Primary Government
<u>Assets</u>	
Cash and cash equivalents	\$ 5,214,725
Capital assets not being depreciated	548,836
Capital assets being depreciated, net	6,562,077
 Total assets	 12,325,638
<u>Liabilities</u>	
Payroll taxes payable	1,201
Due to pension trust fund	4,120
Long-term liabilities	
Due within one year	57,877
Due in more than one year	546,942
 Total liabilities	 610,140
<u>Net Position</u>	
Net position invested in capital assets, net of related debt	6,506,094
Restricted for:	
Tort/Liability insurance	630,084
Unrestricted net position	4,579,320
 Total net position	 \$ 11,715,498

The notes to financial statements are an integral part of this statement.

NEW LENOX FIRE PROTECTION DISTRICT
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2014

Program Activities	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
	Expenditures	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General and administrative	\$ 1,280,735	\$ 95,455	\$ -	\$ (1,185,280)
Public safety	5,079,852	1,339,575	20,986	(3,669,753)
Interest	16,101	-	-	(16,101)
Total governmental activities	6,376,688	1,435,030	20,986	(4,871,134)
Total government	\$ 6,376,688	\$ 1,435,030	\$ 20,986	\$ (4,871,134)
General revenues:				
				4,449,003
Property taxes				21,280
Replacement taxes				17,094
Interest on investments				190
Donations				38,779
Gain on sale of assets				68,975
Miscellaneous				
Total general revenues				4,595,321
Change in net position				(275,813)
Net position at beginning of year				11,991,311
Net position at end of year				\$ 11,715,498

The notes to financial statements are an integral part of this statement.

NEW LENOX FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Statement of Assets, Liabilities and Fund Balances -
Modified Cash Basis - to the Statement of Net Position
December 31, 2014

Reconciliation to statement of net position:

Total fund balances-governmental funds	\$ 5,209,404
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities of \$11,775,315 (net of accumulated depreciation of \$4,664,402), are not financial resources and, therefore, are not reported in the funds.	7,110,913
Long term notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(604,819)</u>
Net position of governmental activities	<u>\$ 11,715,498</u>

The notes to financial statements are an integral part of this statement.

NEW LENOX FIRE PROTECTION DISTRICT
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances-
Modified Cash Basis - Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds				Total Governmental Funds
	Major Funds				
	General Fund	Ambulance Fund	Tort Immunity Fund	Pension Fund	
<u>Revenues received:</u>					
Taxes	\$ 2,048,629	\$ 1,846,195	\$ 202,434	\$ 373,025	\$ 4,470,283
Ambulance billing	-	1,339,575	-	-	1,339,575
Fees and charges for services	6,564	6,465	-	-	13,029
Donations	16,845	16,845	-	-	33,690
Interest income	8,547	8,547	-	-	17,094
Grant income	6,243	6,243	-	-	12,486
Land extraction fees	41,213	41,213	-	-	82,426
Settlement	4,683	4,783	-	-	9,466
Reimbursements	20,066	20,056	-	-	40,122
Miscellaneous	10,766	8,621	-	-	19,387
Total revenues received	<u>2,163,556</u>	<u>3,298,543</u>	<u>202,434</u>	<u>373,025</u>	<u>6,037,558</u>
<u>Expenditures disbursed:</u>					
General and administrative	262,712	262,495	146,635	373,025	1,044,867
Public safety	2,427,682	2,416,303	-	-	4,843,985
Capital outlay	143,091	152,618	-	-	295,709
Debt service - principal	115,880	115,880	-	-	231,760
Debt service - interest	8,051	8,050	-	-	16,101
Total expenditures disbursed	<u>2,957,416</u>	<u>2,955,346</u>	<u>146,635</u>	<u>373,025</u>	<u>6,432,422</u>
Excess (deficiency) of revenues received over expenditures disbursed	(793,860)	343,197	55,799	-	(394,864)
<u>Other financing sources (uses):</u>					
Loan proceeds	175,000	-	-	-	175,000
Sale of assets	31,930	24,430	-	-	56,360
Total other financing sources (uses)	<u>206,930</u>	<u>24,430</u>	<u>-</u>	<u>-</u>	<u>231,360</u>
Net change in fund balance	(586,930)	367,627	55,799	-	(163,504)
Fund balances - beginning	<u>2,894,471</u>	<u>1,904,152</u>	<u>574,285</u>	<u>-</u>	<u>5,372,908</u>
Fund balances - ending	<u>\$ 2,307,541</u>	<u>\$ 2,271,779</u>	<u>\$ 630,084</u>	<u>\$ -</u>	<u>\$ 5,209,404</u>

The notes to financial statements are an integral part of this statement.

NEW LENOX FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues Received, Expenditures Disbursed,
and Changes in Fund Balances - Modified Cash Basis - to the Statement of Activities
For the Year Ended December 31, 2014

Reconciliation to the statement of activities:

Net change in fund balances - total governmental funds \$ (163,504)

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

Loan payments are reported as expenditures in the governmental funds. However, only the interest on these payments is recorded in the statement of activities.

Principal loan payments 231,760

Loan proceeds are reported as other financing sources in governmental funds. In the government-wide statements however, issuing debt increases long-term liabilities.

Loan proceeds (175,000)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense. This is the amount by which depreciation (\$471,735) and basis of assets deleted (\$17,581) exceeded capital assets additions (\$320,247)

(169,069)

Change in net position of governmental activities

\$ (275,813)

NEW LENOX FIRE PROTECTION DISTRICT
Statement of Fiduciary Net Position
FIREFIGHTERS' PENSION FUND
December 31, 2014

	<u>Assets</u>	
Cash and cash equivalents		\$ 297,600
Investments:		
Certificates of deposit		138,532
Municipal bonds		680,244
Government and agency securities-bonds		603,548
Asset and mortgage backed securities		14,784
Mutual funds		1,068,840
		2,505,948
Total cash and investments		2,803,548
Accrued interest		16,674
Due from municipality		4,120
		2,824,342
	<u>Liabilities</u>	
Accounts payable		3,495
	<u>Net position</u>	
Net position restricted for pension benefits		\$ 2,820,847

The notes to financial statements are an integral part of this statement.

NEW LENOX FIRE PROTECTION DISTRICT
Statement of Changes in Fiduciary Net Position
FIREFIGHTERS' PENSION FUND
For the Year Ended December 31, 2014

Additions:	
Contributions:	
Employer contributions	\$ 373,025
Plan member contributions	83,022
Total contributions	456,047
Investment income:	
Interest and dividends	102,797
Net appreciation in fair value of investments	125,219
Total investment income	228,016
Less: investment expense	(239)
Net investment income	227,777
Other income	502
Total additions	684,326
Deductions:	
Benefits and refunds paid to plan members and beneficiaries	87,294
Administrative expenses	22,601
Total Deductions	109,895
Net increase in net position	574,431
Net position restricted for pension benefits, beginning of year	2,246,416
Net position restricted for pension benefits, end year	\$ 2,820,847

The notes to financial statements are an integral part of this statement.

NEW LENOX FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2014

1. Summary of Significant Accounting Policies

The accounting policies of the New Lenox Fire Protection District (the District) are presented using the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following is a summary of the significant accounting policies of the District:

A. Nature of Operations

New Lenox Fire Protection District, New Lenox, Illinois, is an Illinois unit of local government. The District provides general governmental services as well as fire protection and emergency ambulance assistance to individuals.

B. The Reporting Entity

The District, for financial purposes, includes all funds relevant to the operations of the District. The accompanying financial statements present the District's primary government over which the District exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District. The District did not omit from the financial statements any agency that met the inclusion criteria. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of that entity.

C. Government-Wide and Financial Statements

Government-Wide Financial Statements

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

The Statement of Net Position presents the District's non-fiduciary assets and liabilities with the differences reported in three categories:

Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding debt balances that are attributable to the acquisition, construction, or improvements of those assets.

NEW LENOX FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2014

1. Summary of Significant Accounting Policies (continued)

C. Government-Wide and Financial Statements (continued)

Restricted net position results when constraints placed on the position's use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (a) charges paid by the recipients of goods and services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary Funds are excluded from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for the governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

General Fund - is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the District and accounted for in the General Fund include general government and public safety.

Ambulance Fund - accounts for expenditures relating to ambulance services provided by the District. Revenues are mainly derived through property taxes and ambulance fees.

Tort Fund - restricted fund used to accumulate property tax revenues to be used for tort related expenditures.

Pension Fund - accounts for the property tax levy for the Pension Fund.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

C. Government-Wide and Financial Statements (continued)

Fiduciary Funds

The District is in a fiduciary capacity for assets held in the Firefighters' Pension Trust. The pension fund has its own Board of Trustees which monitors the investments and other activity of the fund.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements and Fund Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recorded at the time of receipt by the District except grants. Grants are recognized as revenue when the qualifying expenditure has been incurred. Expenses are recorded when the funds are disbursed. Depreciation of capital assets has been shown on the government-wide financial statements. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recorded at the time of receipt by the District except grants. Expenditures are recorded when the funds are disbursed.

E. Assets, Liabilities, and Fund Balance

Cash and Investments

For the purpose of financial reporting, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments of the pension trust are reported at fair value in accordance with GASB Statement No. 25. All other investments are recorded at cost.

Capital Assets

Capital assets are recorded as expenditures at the time of purchase in the fund financial statements. Capital assets, which include property, plant, and equipment, are reported as assets in the government-wide financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to January 1, 2004. Donated capital assets are recorded at their fair market values as of the date received.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Fund Balance (continued)

The District maintains a capitalization threshold of \$1,000. The District does not possess any infrastructure.

The cost of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	40-50 years
Equipment	5-20 years
Vehicles	5-20 years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Principal payments on long-term debt are recorded as expenditures in the fund financial statements but as a reduction of a liability in the government-wide statements.

Fund Balance

In the fund financial statements, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance is presented in five possible classifications as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form (such as prepaid items) or; b) legally or contractually required to be maintained intact.

Restricted - resources with constraints placed on the use of by creditors, grantors, contributors, or laws or regulations of other governments.

Committed - resources which are subject to limitations imposed by the District's Board of Trustees through an ordinance or resolution. Fund balances classified as committed can only be used for the specific purposes established by the Board's actions and the limitations remain binding unless removed by the Board in the same manner.

Assigned - resources that are constrained by the District's intent to be used for specific purposes as established by the Board but are neither restricted nor committed.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Fund Balance (continued)

Unassigned - resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Negative unassigned fund balances may be reported in the special revenue funds if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to that purpose.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, assigned balances next, and finally to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

F. Interfund Activity

Interfund activity is reported as loans, reimbursements or transfers. Loans are reported as interfund receivables (due from other funds) in lender funds and interfund payables (due to other funds) in borrower funds. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund activity is treated as transfers. Interfund transfers are reported as other financing sources/uses in the governmental funds.

2. Cash and Investments

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two rating services, and the Illinois Funds.

The District maintains cash and investment accounts that are available for use by all funds, except the pension trust fund. The District does not have investments at December 31, 2014. The deposits and investments of the pension trust fund are held separately from those of other funds. Investments of the pension trust fund are presented in Note 4.

District's deposits with financial institutions

The District's cash at year-end consisted of non-interest-bearing demand deposit accounts, interest-bearing money market accounts and certificates of deposit.

At December 31, 2014, the carrying amount of the District's deposits was \$5,214,725 (including certificates of deposit) and the bank balance was \$5,247,797.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

2. Cash and Investments (continued)

Custodial Credit Risk - is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2014, all of the bank deposits were covered by federal depository insurance or by collateral held by the District or by its agent, in the District's name.

3. Property Taxes

Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy. The 2013 property tax levy was passed on December 16, 2013 in the amount of \$4,507,389, reduced by statutory limitations to \$4,458,823, and was received during the current fiscal year. The 2014 property tax levy which will be used to finance the operating budget for fiscal year 2015 was passed by the Board on November 17, 2014.

4. Employee Retirement Systems

The District maintains a single-employer, defined benefit pension plan (Firefighters' Pension Plan) which covers its qualified sworn employees and participates in the statewide Illinois Municipal Retirement Fund, an agent multiple-employer public employee pension plan which covers substantially all of the remaining qualified District employees. The benefits, benefit level, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

The Firefighters' Pension Fund issues a separate report on the pension plan. The report can be obtained from the Treasurer of the pension plan at 261 E. Maple Street, New Lenox, Illinois, 60451. In addition, IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at www.imrf.org.

Illinois Municipal Retirement Fund

Funding Policy

As set by statute, the District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 was 7.91 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

4. Employee Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

Annual Pension Cost

The required contribution for calendar year 2014 was \$11,348.

<u>TREND INFORMATION</u>			
Actuarial Valuation <u>Date</u>	Annual Pension Cost (APC)	Percentage of APC <u>Obligation</u>	Net Pension <u>Obligation</u>
12/31/2014	\$11,348	100%	\$0
12/31/2013	10,535	100%	0
12/31/2012	5,772	100%	0

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually.

The actuarial value of the District Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 66.96 percent funded. The actuarial accrued liability for benefits was \$97,141 and the actuarial value of assets was \$65,045, resulting in an underfunded actuarial accrued liability (UAAL) of \$32,096. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$143,466 and the ratio of the UAAL to the covered payroll was 22 percent.

The schedule of funding progress, presented as supplemental data 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.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

4. Employee Retirement Systems (continued)

Firefighters' Pension Plan

Plan Description

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension administered by the Firefighters' Pension Fund Board. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-100), et seq. and may be amended only by the Illinois legislature. The District accounts for the plan as a pension trust fund.

Plan Membership

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

Retirees and beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	
Vested	0
Nonvested	<u>11</u>
Total	<u>14</u>

Benefits Provided

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statues.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.0% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

4. Employee Retirement Systems (continued)

Firefighters' Pension Plan (continued)

Benefits Provided (continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the consumer price index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.0% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ % for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the consumer price index for the preceding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary.

Effective January 1, 2011, the District has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. The District's contribution, as a percentage of covered payroll, for the year ended December 31, 2014 was 53.86%. Benefits and refunds of the Plan are recognized when due under the terms of the Plan. Administrative costs are paid from plan earnings.

Investment policy

Illinois Compiled Statutes (ILCS) limit the Fund's investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

4. Employee Retirement Systems (continued)

Firefighters' Pension Plan (continued)

Investment policy (continued)

The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment-grade corporate bonds and the Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity and corporate debt securities and real estate investment trusts.

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

Assets invested shall be diversified to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Investments in separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds, or money market instruments and investments in mutual funds shall not exceed 45% of the market value of the Fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At December 31, 2014, the entire amount of the bank deposits was covered by federal depository insurance.

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

4. Employee Retirement Systems (continued)

Firefighters' Pension Plan (continued)

Credit Risk, Custodial Credit Risk, and Concentration Risk

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. Though not required by the investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

At December 31, 2014 the Firefighters' Pension Fund's investments were as follows:

	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
Fixed Income Securities					
Municipal Bonds	\$ 680,244	\$ -	\$ 61,415	\$ 62,805	\$ 556,024
Government and Agency Securities	603,548	-	110,823	99,393	393,332
Asset and Mortgage Backed Securities	14,784	-	-	-	14,784
	<u>1,298,576</u>	<u>-</u>	<u>172,238</u>	<u>162,198</u>	<u>964,140</u>
Not Subject to Interest Rate Risk					
Unit Trust Funds	482,983	-	-	-	-
Equity Mutual Funds	585,857	-	-	-	-
	<u>1,068,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 2,367,416	\$ -	\$ 172,238	\$ 162,198	\$ 964,140

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the 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 disclosures. At December 31, 2014, the categorical investments are held by the counterparty in the Fund's name.

Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy places no limit on the amount the Fund may invest in any one issuer. At December 31, 2014, investments in the following issuers exceeded 5% of the Fund's net position: Federal Home Loan Banks (7.34%), Illinois State (9.03%), and Community Unit School District 308 (5.41%). Other investments in U.S. Government and its credit guaranteed agencies and investments in certain mutual funds are not subject to concentration of credit risk as these securities carry an implied U.S. Government guarantee.

NEW LENOX FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2014

4. Employee Retirement Systems (continued)

Firefighters' Pension Plan (continued)

Credit Risk, Custodial Credit Risk, and Concentration Risk (continued)

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund limits its exposure to credit risk by primarily investing in obligations of the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. Investments and their credit ratings as described by Standard & Poor's rating agency for the year ended December 31, 2014 were as follows:

Investment Description	Fair Value 12/31/2014	Investments	Credit Rating
U.S. Government and Agency Securities			
Government National Mortgage Association	\$ 14,784	0.62%	N/A
Tennessee Valley Authority	253,998	10.73%	AA+
Subtotal	268,782	11.35%	
U.S. Government Sponsored Agency Securities			
Federal Farm Credit Banks	73,320	3.10%	AA+
Federal Home Loan Banks	206,952	8.74%	AA+
Federal National Mortgage Association	69,278	2.93%	AA+
State and Local Government Bonds	680,244	2.59%	Baa1 thru Aa2
Unit Trusts	482,983	20.40%	N/A
Mutual Funds	585,857	24.75%	N/A
Subtotal	\$ 2,367,416	100.00%	

Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on Fund investments, net of investment expense, was 9.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the employer at December 31, 2014, were as follows:

Total pension liability	\$ 4,073,859
Less: Plan fiduciary net position	2,820,847
Net pension liability	\$ 1,253,012
Plan fiduciary net position as a percentage of total pension liability	69.24%

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

4. Employee Retirement Systems (continued)

Firefighters' Pension Plan (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry Age Normal (level % of pay)
Inflation	3.0%
Salary increases	4.0% - 12.0%
Interest rate	5% per year compounded annually
Cost of living adjustments	3%
Asset valuation method	Market

Mortality rates were based on rates developed in the Lauterbach & Amen, LLP 2012 Mortality Table for Illinois Firefighters.

Other demographic assumptions rates used in the December 31, 2014 valuation were based on a review of assumptions in the Lauterbach & Amen, LLP 2012 study for Illinois Firefighters.

Discount rate

The discount rate used to measure the total pension liability was 4.17%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 5.00% was blended with the index rate of 3.56% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2014 to arrive at the discount rate of 4.17% used to determine the total pension liability.

Discount Rate Sensitivity

The following presents the net pension liability calculated using the discount rate of 4.17%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.17%) or 1-percentage-point higher (5.17%) than the current rate:

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

4. Employee Retirement Systems (continued)

Firefighters' Pension Plan (continued)

Discount Rate Sensitivity (continued)

	1% Decrease (3.17%)	Current Discount Rate (4.17%)	1% Increase (5.17%)
Employer Net Pension Liability	\$ 2,119,895	\$ 1,253,012	\$ 584,844

Annual Pension Cost

The employer annual pension cost (APC) for 2014 was \$335,851. The District's actual contribution was \$373,025.

Employer contributions have been determined as follows:

	<u>Firefighters' Pension Plan</u>
Actuarial valuation date	January 1, 2014
Actuarial cost method	Entry age normal (level % of pay)
Amortization method	Level percentage of payroll
Amortization target	100% funded by year 2040
Asset valuation method	5 year smooth market
Significant actuarial assumptions	
Rate of return present and future assets	5.00% compounded annually
Projected salary increase attributable to inflation	4.00%-12.00% compounded annually
Aggregate payroll increases	4.50%
Inflation rate included	3.00%

See the schedule of funding progress in the supplementary data following the notes to financial statements for additional information related to the funded status of the Plan.

NEW LENOX FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2014

5. Long-Term Debt

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Old Plank Trail Community Bank Loan	\$ -	\$ 175,000	\$ 175,000	\$ -	\$ -
S 4 Pumper Loan	200,000	-	12,500	187,500	12,500
Smeal Ladder Truck Loan	461,579		44,260	417,319	45,377
Totals	\$ 661,579	\$ 175,000	\$ 231,760	\$ 604,819	\$ 57,877

Payments on the long-term obligations are made by the General Fund and the Ambulance Fund.

Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2015	\$ 57,877	\$ 14,092	\$ 71,969
2016	59,477	12,491	71,968
2017	61,208	10,761	71,969
2018	62,966	9,004	71,970
2019	64,786	7,183	71,969
2020-2024	236,005	9,995	246,000
2025-2029	62,500	-	62,500
	\$ 604,819	\$ 63,526	\$ 668,345

Loans Payable:

S4 Pumper Vehicle Loan

In June of 2009, the District entered into a vehicle loan with the Illinois Finance Authority in the amount of \$250,000 for the purchase of a S4 Pumper. The loan calls for annual principal only payments of \$12,500, and the balance is due at maturity on September 1, 2029. As of December 31, 2014 the unpaid balance on the note was \$187,500.

Smeal Ladder Truck Loan

On January 14, 2013 the District executed a \$500,000 vehicle loan with Old Plank Trail Community Bank for the purchase of a new sméal ladder truck. The loan is due in monthly installments of \$4,956, with interest at the rate of 3.5%. As of December 31, 2014 the unpaid balance on the note was \$417,319.

NEW LENOX FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2014

5. Long-Term Debt (continued)

Old Plank Trail Community Bank Loan

On July 22, 2014, the District entered into a loan with Old Plank Trail Community Bank in the amount of \$175,000 for the purchase of an ambulance at a rate of 2.60%. The District decided not to purchase the ambulance and the loan was repaid during the current year.

6. Employees' 457(b) deferred compensation plan

The District adopted a 457(b) deferred compensation plan. Employees can voluntarily contribute pre-tax earnings to the plan. The District does not contribute to the plan.

7. Lessor Agreement

In 2011, the District entered into an agreement with Custer Township Volunteer Fire Department for the sale of 20 Scott high pressure air packs with bottles at \$2,500 each. Per agreement, the Department will pay the District a total of \$50,000 in six annual payments, with the final payment due in December of 2016. The future payments due from the Department are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 8,333
2016	8,333
	<u>\$ 16,666</u>

8. Lease Commitments

In October, 2014 the District executed an operating lease for a copier. This lease requires sixty monthly payments of \$266 and expires in October, 2019. Current year lease expense totaled \$798.

Future minimum lease payments under the copier leases are as follows:

<u>Year</u>	
2015	\$ 3,192
2016	3,192
2017	3,192
2018	3,192
2019	2,394
	<u>\$ 15,162</u>

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

9. Risk Management

The District is exposed to various risks of loss related to torts: theft, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District's risk management activities are recorded in the Tort Immunity Fund. The District has purchased commercial insurance. Risk coverage includes general liability, property, workers' compensation, health and other. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the last three years.

10. 911 Surcharge Reimbursement

During the current fiscal year, the District received a reimbursement of \$40,131 from Will County for the District's portion of 911 surcharge revenue. The District uses the County 911 dispatch services and receives reimbursement for excess surcharges received by the County.

11. Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 544,711	\$ -	\$ -	\$ 544,711
Assets not in service	-	4,125	-	4,125
Total capital assets not being depreciated	544,711	4,125	-	548,836
Capital assets being depreciated				
Buildings and improvements	6,370,366	127,839	-	6,498,205
Equipment	1,384,956	75,387	(46,686)	1,413,657
Vehicles	3,257,856	112,896	(56,135)	3,314,617
Total capital assets being depreciated	11,013,178	316,122	(102,821)	11,226,479
Less accumulated depreciation for:				
Buildings and improvements	(1,749,227)	(151,283)	-	(1,900,510)
Equipment	(958,451)	(121,318)	48,846	(1,030,923)
Vehicles	(1,570,229)	(199,134)	36,394	(1,732,969)
Total accumulated depreciation	(4,277,907)	(471,735)	85,240	(4,664,402)
Total capital assets being depreciated, net	6,735,271	(155,613)	(17,581)	6,562,077
Capital assets, net	<u>\$ 7,279,982</u>	<u>\$ (151,488)</u>	<u>\$ (17,581)</u>	<u>\$7,110,913</u>

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2014

11. Capital Assets (continued)

Current year depreciation is allocated to expenditures as follows:

General Government	\$ 235,868
Public Safety	<u>235,867</u>
	<u>\$ 471,735</u>

12. Governmental Fund Types and Components of Fund Balance

As of December 31, 2014 fund balances consisted of the following components:

	Major Funds				Total
	General Fund	Ambulance Fund	Tort Immunity Fund	Pension Fund	
Fund balances:					
Restricted for:					
Tort/Liability insurance	\$ -	\$ -	\$ 630,084	\$ -	\$ 630,084
Assigned to:					-
Ambulance Operations	-	2,271,779	-	-	2,271,779
Unassigned	2,307,541	-	-	-	2,307,541
Total	<u>\$ 2,307,541</u>	<u>\$ 2,271,779</u>	<u>\$ 630,084</u>	<u>\$ -</u>	<u>\$5,209,404</u>

The restricted fund balance refers to amounts that are subject to outside restrictions not controlled by the entity. Revenue received from property taxes levied for Tort/Liability insurance are recorded in the Tort Immunity Fund and the use of this restricted revenue is limited to the purpose levied for as defined by Statute. The fund balance presented in the Ambulance Fund is assigned to ambulance operations.

13. Subsequent Events

On February 19, 2015, the District entered into a contract with Sentinel Emergency Solutions to acquire an ambulance for \$215,119 which was paid out of the District's funds on March 11, 2015.

Management has evaluated subsequent events through June 15, 2015, the date the financial statements were available to be issued.

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
GENERAL FUND
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
Revenues received:			
Property taxes	\$ 2,092,716	\$ 2,037,989	\$ (54,727)
Replacement tax	10,000	10,640	640
Foreign fire insurance tax	8,000	-	(8,000)
Grant income	25,000	6,243	(18,757)
Donations	-	16,845	16,845
Insurance benefit refund	-	230	230
Settlement - Station 1	-	4,683	4,683
Inspection fees	-	2,237	2,237
False alarm fees	-	350	350
Voting rental	-	38	38
Public education	-	1,815	1,815
Land extraction	48,000	41,213	(6,787)
Spiller pay revenue	-	1,514	1,514
911 surcharge revenue	-	20,066	20,066
Collections income	-	946	946
Legal fire report	-	610	610
New equipment fund	548,775	-	(548,775)
Building and land fund	548,775	-	(548,775)
Interest income	10,000	8,547	(1,453)
Other income	30,000	9,590	(20,410)
Total revenues received	3,321,266	2,163,556	(1,157,710)
Expenditures disbursed:			
Trustee salaries	10,800	7,875	(2,925)
Employee salaries	583,200	579,634	(3,566)
Employee salaries-POC	1,200	-	(1,200)
Salaries part time	180,000	150,812	(29,188)
Payroll taxes	33,600	25,279	(8,321)
Employer IMRF	6,000	5,674	(326)
Employee benefits	132,000	129,802	(2,198)
Employee physicals	9,000	878	(8,122)
Trustee training	3,000	-	(3,000)
Fire prevention/public education	9,600	4,421	(5,179)
Firefighter training	-	18,263	18,263
Administrative expenses	1,200	750	(450)
Legal and professional services	51,000	25,282	(25,718)
Kurtz ambulance contract	1,860,000	1,351,486	(508,514)
Contract fees	45,000	-	(45,000)
Dispatching services	90,000	87,146	(2,854)
Facility repairs and maintenance	96,000	93,954	(2,046)
Facility capital outlay	30,000	2,063	(27,937)
Facility supplies	30,000	7,638	(22,362)

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
GENERAL FUND
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
<u>Expenditures disbursed</u> (continued):			
Small tools/equipment purchases	42,960	17,665	(25,295)
Small tools/equipment capital outlay	48,000	21,603	(26,397)
Small tools/equipment repair	12,000	8,890	(3,110)
Radio/pager capital outlay	6,000	4,318	(1,682)
Radio/pager repair	4,800	361	(4,439)
Fuel and oil	54,000	32,822	(21,178)
Uniforms	10,800	13,639	2,839
Office supplies	24,000	7,794	(16,206)
Office equipment repairs	5,400	214	(5,186)
Office capital outlay	6,000	10,245	4,245
Printing and publications	9,000	1,142	(7,858)
Postage	6,000	2,165	(3,835)
Dues and subscriptions	7,800	6,842	(958)
Medical supplies	15,600	-	(15,600)
Fire clothing	18,000	28,236	10,236
Utilities	62,400	25,998	(36,402)
Telephone and internet	41,400	32,991	(8,409)
Bank service charges	600	162	(438)
Contingency/miscellaneous	14,760	15,893	1,133
New equipment fund	540,000	3,061	(536,939)
Building and land fund	540,000	-	(540,000)
Vehicle capital outlay	12,000	69,376	57,376
Vehicle repair and maintenance	51,000	39,111	(11,889)
Debt service:			
Principal	106,500	115,880	9,380
Interest	-	8,051	8,051
Total expenditures disbursed	4,810,620	2,957,416	(1,853,204)
Excess (deficiency) of revenues received over expenditures disbursed	(1,489,354)	(793,860)	695,494
Other financing sources (uses):			
Loan proceeds	-	175,000	175,000
Sale of assets	-	31,930	31,930
Total other financing sources (uses)	-	206,930	206,930
Net change in fund balance	\$ (1,489,354)	(586,930)	\$ 902,424
Fund balance, beginning of year		2,894,471	
Fund balance, end of year		\$ 2,307,541	

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
AMBULANCE FUND
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues received:</u>			
Property taxes	\$ 1,898,350	\$ 1,835,555	\$ (62,795)
Ambulance billing	1,300,000	1,339,575	39,575
Replacement tax	10,000	10,640	640
Foreign fire insurance tax	8,000	-	(8,000)
Grant income	25,000	6,243	(18,757)
Donations	-	16,845	16,845
Insurance benefit refund	-	230	230
Settlement - Station 1	-	4,783	4,783
Inspection fees	-	2,138	2,138
False alarm fees	-	350	350
Voting rental	-	38	38
Public education	-	1,815	1,815
Land extraction	48,000	41,213	(6,787)
Spiller pay revenue	50,000	1,514	(48,486)
911 surcharge revenue	-	20,056	20,056
Legal fire report	-	610	610
New equipment fund	548,775	-	(548,775)
Building and land fund	548,775	-	(548,775)
Interest income	10,000	8,547	(1,453)
Other income	30,000	8,391	(21,609)
Total revenues received	<u>4,476,900</u>	<u>3,298,543</u>	<u>(1,178,357)</u>
<u>Expenditures disbursed:</u>			
Trustee salaries	10,800	7,875	(2,925)
Employee salaries	583,200	562,256	(20,944)
Employee salaries-POC	1,200	-	(1,200)
Salaries part time	180,000	150,812	(29,188)
Payroll taxes	33,600	25,279	(8,321)
Employer IMRF	6,000	5,674	(326)
Employee benefits	132,000	129,863	(2,137)
Employee physicals	9,000	817	(8,183)
Trustee training	3,000	-	(3,000)
Firefighter training	-	8,895	8,895
Fire prevention/public education	9,600	4,317	(5,283)
Administrative expenses	1,200	750	(450)
Legal and professional services	51,000	25,282	(25,718)
Kurtz ambulance contract	1,860,000	1,351,486	(508,514)

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
AMBULANCE FUND
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
<u>Expenditures disbursed (continued):</u>			
Contract fees	45,000	57,740	12,740
Dispatching services	90,000	87,146	(2,854)
Facility repairs and maintenance	96,000	82,988	(13,012)
Facility capital outlay	30,000	19,513	(10,487)
Facility supplies	30,000	7,736	(22,264)
Small tools/equipment purchases	42,960	12,723	(30,237)
Small tools/equipment capital outlay	48,000	9,873	(38,127)
Small tools/equipment repair	12,000	7,608	(4,392)
Radio/pager capital outlay	6,000	4,318	(1,682)
Radio/pager repair	4,800	361	(4,439)
Fuel and oil	54,000	32,822	(21,178)
Uniforms	10,800	13,522	2,722
Office supplies	24,000	7,687	(16,313)
Office equipment repairs	5,400	214	(5,186)
Office capital outlay	6,000	1,545	(4,455)
Printing and publications	9,000	1,142	(7,858)
Postage	6,000	2,165	(3,835)
Dues and subscriptions	7,800	6,842	(958)
Medical supplies	15,600	39,848	24,248
Fire clothing	18,000	1,873	(16,127)
Utilities	62,400	30,597	(31,803)
Telephone and internet	41,400	28,421	(12,979)
Bank service charges	600	162	(438)
Contingency/miscellaneous	14,760	15,821	1,061
New equipment fund	1,140,000	3,061	(1,136,939)
Building and land fund	1,140,000	-	(1,140,000)
Vehicle capital outlay	12,000	44,319	32,319
Vehicle repair and maintenance	51,000	38,063	(12,937)
Debt service:			
Principal	106,500	115,880	9,380
Interest	-	8,050	8,050
Total expenditures disbursed	6,010,620	2,955,346	(3,055,274)
Excess (deficiency) of revenues received over expenditures disbursed	(1,533,720)	343,197	1,876,917
Other financing sources (uses):			
Sale of assets	-	24,430	24,430
Net change in fund balance	\$ (1,533,720)	367,627	\$ 1,901,347
Fund balance, beginning of year		1,904,152	
Fund balance, end of year		\$ 2,271,779	

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
TORT IMMUNITY FUND
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues received:</u>			
Property taxes	\$ 194,366	\$ 202,434	\$ 8,068
Total revenues received	<u>194,366</u>	<u>202,434</u>	<u>8,068</u>
<u>Expenditures disbursed:</u>			
Workers' compensation	96,000	91,713	(4,287)
Vehicle and building insurance	1,200	-	(1,200)
Firefighter training	24,000	-	(24,000)
Liability insurance	54,000	54,922	922
Total expenditures disbursed	<u>175,200</u>	<u>146,635</u>	<u>(28,565)</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>\$ 19,166</u>	55,799	<u>\$ 36,633</u>
Fund balance, beginning of year		<u>574,285</u>	
Fund balance, end of year		<u>\$ 630,084</u>	

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
PENSION FUND
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues received:</u>			
Property taxes	\$ 376,734	\$ 373,025	\$ (3,709)
Total revenues received	<u>376,734</u>	<u>373,025</u>	<u>(3,709)</u>
<u>Expenditures disbursed:</u>			
Pension	452,081	373,025	(79,056)
Total expenditures disbursed	<u>452,081</u>	<u>373,025</u>	<u>(79,056)</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>\$ (75,347)</u>	-	<u>\$ 75,347</u>
Fund balance, beginning of year		-	
Fund balance, end of year		<u>\$ -</u>	

NEW LENOX FIRE PROTECTION DISTRICT
Notes to Supplementary Information
December 31, 2014

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Annual appropriated budgets are adopted each year for the general fund, ambulance fund, tort immunity fund, and the pension fund. The annual budget was prepared on the cash basis of accounting. The District's annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

1. During September or October, the District Board prepares a tentative combined annual budget and appropriation ordinance for the fiscal year commencing in January. The budget includes proposed expenditures and the means of financing them.
2. Following a public hearing, the budget is adopted by the Board in the form of a combined annual budget and appropriations ordinance.
3. During the fiscal year, transfers made between line items within the same fund must be approved by the Board. Amendments to the budget may be made using the same procedures followed to adopt the original combined annual budget and appropriations ordinance.
4. Budgeted amounts presented in the financial statements are those as originally adopted and final after transfers approved by the Board.

The budget was adopted by the District on December 16, 2013 and was not amended.

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Funding Progress and Employer Contributions
ILLINOIS MUNICIPAL RETIREMENT FUND
December 31, 2014

Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
12/31/2014	\$ 65,045	\$ 97,141	\$ 32,096	66.96%	\$ 143,466	22.37%
12/31/2013	46,687	77,422	30,735	60.30%	115,259	26.67%
12/31/2012	31,046	41,522	10,476	74.77%	56,536	18.53%
12/31/2011	23,232	23,618	386	98.37%	63,681	0.61%
12/31/2010	12,920	39,670	26,750	32.57%	68,988	38.77%
12/31/2009	3,624	28,727	25,103	12.62%	18,235	137.66%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$71,394. On a market basis, the funded ratio would be 75.50%.

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

Employer Contributions

Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
12/31/2014	\$ 11,348	\$ 11,348	100.00%	-
12/31/2013	10,535	10,535	100.00%	-
12/31/2012	5,772	5,772	100.00%	-
12/31/2011	7,342	7,342	100.00%	-
12/31/2010	7,009	7,009	100.00%	-
12/31/2009	1,853	1,853	100.00%	-

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Funding Progress
FIREFIGHTERS' PENSION FUND
December 31, 2014

Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial 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)
1/1/2014	\$ 2,370,380	\$ 2,783,870	\$ 413,490	85.15%	\$ 692,554	59.71%
1/1/2013	2,045,507	2,595,909	550,402	78.80%	765,138	71.93%
*1/1/2012	1,867,648	1,955,126	87,478	95.53%	622,969	14.04%
4/30/2010	1,581,407	835,567	(745,840)	189.26%	537,054	-138.88%
4/30/2009	1,403,759	899,422	(504,337)	156.07%	266,188	-189.47%
4/30/2008	1,321,742	807,896	(513,846)	163.60%	322,688	-159.24%

This data is provided by the Annual Valuation & Actuarial Calculation.

The information presented in the above schedule was determined as part of the actuarial valuations at the dates indicated.

*The District changed its fiscal year to December 31st in 2011.

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Employer Contributions
FIREFIGHTERS' PENSION FUND
For the Year Ended December 31, 2014

Year Ended	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency / (Excess)	Covered - Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/2014	\$ 376,734	\$ 373,025	\$ 3,709	\$ 740,900	50.35%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
12/31/2014	\$ 373,025	\$ 335,851	111.07%
12/31/2013	249,418	376,734	66.21%

Notes to Schedule

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the December 31, 2012 actuary's report completed by Lauterbach & Amen LLP for the tax levy recommendation for the December, 2013 tax levy.

Methods and assumptions used to determine

Actuarial cost method	Entry age normal (level % of pay)
Asset valuation method	5 year smoothed market value
Amortization method	Level percentage of payroll
Remaining amortization method	26 years
Amortization target	100% funded by year 2040
Investment rate of return	5% per year compounded annually
Projected salary increase	4.00%-12.00% per year compounded annually
Aggregate payroll increases	4.50%
Inflation rate included	3% per year compounded annually
Cost of living adjustments	3% per year compounded annually

Mortality rates were based on rates developed in the Lauterbach & Amen, LLP 2012 Mortality Table for Illinois Firefighters.

Other demographic assumptions rates used in the December 31, 2014 valuation were based on a review of assumptions in the Lauterbach & Amen, LLP 2012 study for Illinois Firefighters.

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios
FIREFIGHTERS' PENSION FUND
For the Year Ended December 31, 2014

	2014
Total Pension Liability	
Service cost	\$ 492,255
Interest	145,121
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments and refunds	(87,294)
Net change in total pension liability	550,082
Total pension liability - beginning	3,523,777
Total pension liability - ending	\$ 4,073,859
Plan Fiduciary Net Position	
Contributions - employer	\$ 373,025
Contributions - member	83,022
Net investment income	227,777
Benefit payments and refunds	(87,294)
Administrative expense	(22,601)
Other	502
Net change in plan fiduciary net position	574,431
Plan fiduciary net position - beginning	2,246,416
Plan fiduciary net position - ending	\$ 2,820,847
Employer net pension liability - ending	\$ 1,253,012
Plan fiduciary net position as a percentage of total pension liability	69.24%
Covered - employee payroll	\$ 740,900
Employer net pension liability as a percentage of covered - employee payroll	169.12%

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Investment Returns
FIREFIGHTERS' PENSION FUND
For the Year Ended December 31, 2014

	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.85%

NEW LENOX FIRE PROTECTION DISTRICT
Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections
December 31, 2014

	2009	2010	Tax Levy Year 2011	2012	2013
Assessed valuations	<u>\$ 1,312,759,968</u>	<u>\$ 1,296,031,429</u>	<u>\$ 1,238,128,156</u>	<u>\$ 1,192,430,926</u>	<u>\$ 1,139,780,924</u>
Tax Rates:					
Corporate	0.1430	0.1503	0.1614	0.1755	0.1792
Ambulance	0.1296	0.1362	0.1463	0.1592	0.1614
Fire Pension	0.0072	0.0076	0.0082	0.0085	0.0311
Tort/Liability Insurance	0.0132	0.0139	0.0149	0.0163	0.0178
Fire Pension	-	-	-	0.0005	0.0017
Totals	<u>0.2930</u>	<u>0.3080</u>	<u>0.3308</u>	<u>0.3600</u>	<u>0.3912</u>
Tax Extensions:					
Corporate	\$ 1,877,249	\$ 1,947,935	\$ 1,998,339	\$ 2,092,716	\$ 2,042,487
Ambulance	1,701,339	1,765,195	1,811,381	1,898,350	1,839,606
Fire Pension	94,519	98,498	101,527	101,357	354,472
Tort/Liability Insurance	173,284	180,148	184,481	194,366	202,881
Fire Pension	-	-	-	5,962	19,376
Totals	<u>\$ 3,846,391</u>	<u>\$ 3,991,776</u>	<u>\$ 4,095,728</u>	<u>\$ 4,292,751</u>	<u>\$ 4,458,822</u>
Tax Collection	<u>\$ 3,836,318</u>	<u>\$ 3,989,283</u>	<u>\$ 4,089,487</u>	<u>\$ 4,273,858</u>	<u>\$ 4,449,003</u>