

**MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2022

**MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS**

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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Trustees
Mazon Fire Protection District
Mazon, Illinois

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Mazon Fire Protection District, (the District) as of and for the year ended April 30, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mazon Fire Protection District, as of April 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

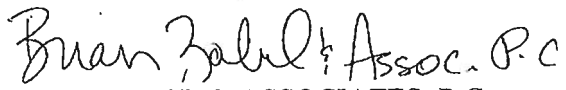
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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.

The supplementary information 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 it.


BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
December 22, 2022

MAZON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2022

As management of the Mazon Fire Protection District (the District), we offer readers of the District's statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at April 30, 2022 by \$696,589 (net position). Of this amount, \$342,082 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$12,045.
- At April 30, 2022, the District's governmental funds reported combined ending fund balances of \$342,082, an increase of \$79,997 in comparison with the prior year. The entire fund balance total is unassigned and, therefore, available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

The Statement of Net Position includes all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position are an indicator of whether its financial position is improving or deteriorating, respectively.

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 related 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).

The government-wide financial statements show functions of the District that are principally supported by taxes and other revenues (governmental activities). The District does not conduct functions intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the District include providing general governmental administrative

services and public safety functions of fire protection services. The governmental-wide financial statements can be found on pages 3 and 4 of this report.

MAZON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2022

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund used by the District falls into the governmental fund category.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. The General Fund (Fire Fund) is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general District purposes.

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be major fund.

The basic governmental fund financial statements can be found on pages 5 through 8 of this report.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to financial statements can be found on pages 9 through 16 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in meeting its obligation to provide as fully adequate as possible fire protection and emergency medical services to all of its residents.

The District adopts an annual budget and appropriation ordinance for the General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the adopted budget and appropriation ordinance.

The budgetary comparison statements can be found on pages 17 through 19 of this report.

MAZON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$696,589 at April 30, 2022.

By far the largest portion of the District's net position (70%) reflects its investment in capital assets (e.g., land, buildings, and vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its 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.

Mazon Fire Protection District's Net Position at Year End

	Governmental Activities	
	FY 2022	FY 2021
Current and Other Assets	\$ 490,582	\$ 262,085
Capital Assets	354,507	422,459
Total Assets	\$ 845,089	\$ 684,544
Current Liabilities	\$ -	\$ -
Long-Term Liabilities Outstanding	-	-
Total Liabilities	\$ -	\$ -
Deferred Inflows of Resources	\$ 148,500	\$ -
Total Liabilities and Deferred Inflows of Resources	\$ 148,500	\$ -
Net Position		
Invested in Capital Assets, Net of Related Debt	\$ 354,507	\$ 422,459
Restricted	-	-
Unrestricted	342,082	262,085
Total Net Position	\$ 696,589	\$ 684,544

Unrestricted net position \$342,082 may be used to meet the District's ongoing obligations to citizens and creditors.

At April 30, 2022, the District is able to report positive balances in the only fund of net position. The same situation held true for the prior fiscal year.

The District's net position increased by \$12,045 during the year ended April 30, 2022.

MAZON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 April 30, 2022

Governmental Activities - Governmental activities increased the District's net position by \$12,045. The key elements of this increase are as follows:

Mazon Fire Protection District's Change in Net Position

	Governmental Activities	
	FY 2022	FY 2021
Revenues		
Program Revenues		
Operating Contributions	\$ -	\$ -
Operating Grants and Contributions	19,065	29,570
General Revenues		
Property Taxes	141,169	141,158
Foreign Fire Insurance Tax	3,518	30,704
Investment Earnings	229	25
Other	8,275	-
Total Revenues	<u>172,256</u>	<u>201,457</u>
Expenses		
Public Safety	157,711	187,046
Interest on long-term debt	2,500	-
Total Expenses	<u>160,211</u>	<u>187,046</u>
Change in Net Position	12,045	14,411
Net Position-Beginning	684,544	670,133
Net Position-Ending	<u>\$ 696,589</u>	<u>\$ 684,544</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the chief operating fund of the District. At April 30, 2022, unassigned fund balance of the General Fund was \$342,082. The fund balance of the General Fund increased by \$12,045 during the year ended April 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

Significant differences between the final budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$14,597 (unfavorable).
- The difference between the estimated expenditures and the actual expenditures was \$96,291 (favorable).

MAZON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The District's investment in capital assets for its governmental activities as of April 30, 2022 amount to \$354,507 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and vehicles and equipment. The total decrease in the District's investment in capital assets for the year ended April 30, 2022 was \$67,952 and was due to depreciation expense for the year.

Mazon Fire Protection District's Capital Assets
(Net of Depreciation)

	Governmental Activities	
	FY 2022	FY 2021
Land	\$ 27,990	\$ 27,990
Buildings & Improvements	155,283	160,701
Vehicles	127,243	164,000
Furniture & Equipment	43,991	69,767
Total	<u>\$ 354,507</u>	<u>\$ 422,458</u>

Additional information on the District's capital assets can be found in Note 4 on page 14 and 15 of this report.

Long-Term Debt – At April 30, 2022 the District had no debt outstanding

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The equalized assessed valuation (EAV) for the District for 2021 is \$54,845,168. That represents an increase in EAV of \$3,177,213 over the prior year's EAV.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Board of Trustees, Mazon Fire Protection District, 700 Park Street, P.O. Box 267, Mazon, IL 60444.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS
 GOVERNMENT-WIDE
 STATEMENT OF NET POSITION
 April 30, 2022

	Governmental Activities <u>2022</u>
ASSETS	
Cash and investments	\$ 342,082
Property tax receivables	148,500
Capital assets	
Land	27,990
Other capital assets, net of depreciation	<u>326,517</u>
TOTAL ASSETS	<u>\$ 845,089</u>
LIABILITIES	
Accounts Payable	-
Non-current liabilities	
Due within one year	-
Due in more than one year	<u>-</u>
Total Liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned property taxes	<u>148,500</u>
Total Deferred Inflows of Resources	<u>148,500</u>
Total Liabilities and Deferred Inflows of Resources	<u>148,500</u>
NET POSITION	
Invested in capital assets, net of related debt	354,507
Unrestricted/(Deficit)	<u>342,082</u>
Total Net Position	<u>696,589</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 845,089</u>

See accompanying notes to financial statements.

MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES

Year Ended April 30, 2022

Functions and Programs	Expenses	Program Revenues			Net (Expenses) Revenue And Change in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Public Safety					
Fire protection	\$ 105,577	\$ -	\$ -	\$ -	(105,577)
Administrative expenses	52,134	-	19,065	-	(33,069)
Interest expense	2,500	-	-	-	(2,500)
Total Governmental Activities	160,211	-	19,065	-	(141,146)
General Revenues					
Taxes:					
Property taxes					141,169
Foreign fire insurance tax					3,518
Investment earnings					229
Sale of Asset					-
Other general revenues					8,275
Total Revenues					153,191
Change in Net Position					12,045
Net Position at Beginning of Year					684,544
Net Position at End of Year					\$ 696,589

See accompanying notes to financial statements.

MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS
FUND FINANCIAL STATEMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2022

ASSETS	<u>General Fund</u>
Cash and investments	\$ 342,082
Property taxes receivables	<u>148,500</u>
TOTAL ASSETS	<u>\$ 490,582</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable Property Taxes	<u>148,500</u>
Total Deferred Inflows of Resources	<u>148,500</u>
Total Liabilities and Deferred Inflows of Resources	<u>148,500</u>
 FUND BALANCES	
Unrestricted	
Assigned	-
Unassigned	<u>342,082</u>
TOTAL FUND BALANCES	<u>342,082</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 490,582</u>

See accompanying notes to financial statements.

**MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS**

April 30, 2022

	<u>2022</u>
FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 342,082
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 governmental funds	354,507
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	-
Unamortized premium on bonds is shows as a liability on the statement of net position	-
Accrued interest on long-term liabilities is shows as a liability on the statement of net position	-
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 696,589</u>

See accompanying notes to financial statements.

MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended April 30, 2022

REVENUES	<u>General Fund</u>
Property taxes	\$ 141,169
Foreign fire insurance tax	3,518
Donations	-
Grant income	19,065
Investment Earnings	229
Sale of Asset	-
Other Income	<u>8,275</u>
 Total Revenues	 <u>172,256</u>
 EXPENDITURES	
Public safety	
Administrative Expenditures	50,334
Fire Service Contract Fees	1,800
Building and Equipment Maintenance and Repairs	16,267
Debt service	
Principal	-
Interest	2,500
Capital outlay	<u>21,358</u>
 Total Expenditures	 <u>92,259</u>
Excess (deficiency) of revenues over expenditures	 79,997
Other Financing Sources/(Uses)	
Proceeds of long-term debt	-
Proceeds of short-term debt	<u>-</u>
 Net Change in Fund Balances	 79,997
FUND BALANCE - MAY 1, 2021	<u>262,085</u>
FUND BALANCE - APRIL 30, 2022	<u><u>\$ 342,082</u></u>

See accompanying notes to financial statements.

**MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Year Ended April 30, 2022

	2022
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 39,476
 Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	5,442
The premium on the issuance of long-term debt is capitalized and amortized in the statement of activities	-
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	37,556
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(52,280)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 30,194

See accompanying notes to financial statements.

MAZON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mazon Fire Protection District (District) was formed January 16, 1992 by action under provisions of applicable state law. The District operates under a President-Trustee form of government consisting of five trustees. The District provides fire protection services to all residents within established boundaries.

The District's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting principles established in GAAP and used by the District are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organizations or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. The District has no component unit.

B. Fund Accounting

The District uses funds to report on its financial position, changes in its financial position, and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental.

Governmental funds are used to account for substantially all of the District's general activities, including the collection and disbursement of earmarked monies and the acquisition or construction of general capital assets. The general fund is used to account for all activities of the general government not accounted for in some other fund.

MAZON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Since there is only one fund, interfund activities do not apply to the financial statements. The statements generally distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other no exchange revenues. Business-type activities are financed in whole or in part by fees to external parties for goods or services. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District reports the following major governmental funds:

The 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.

D. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

MAZON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Property taxes, other intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

E. Cash & Cash Equivalents

The District considers all cash on hand, demand deposits, money market accounts, certificates of deposits, and short-term investments with original maturities of three months or less from the date of the acquisition to be cash equivalents.

F. Capital Assets

Capital assets are recorded as expenditures at the time of purchase. Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are reported as expenses as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Buildings and Additions	50 years
Vehicles and Equipment	5-20 years

MAZON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Long-Term Obligations

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

In the governmental fund financial statements capital lease payments are recorded as expenditures and the face amount of the issuance of long-term debt is reported as other financing sources. Issuance costs, whether or not withheld from the actual bond proceeds, are reported as debt service expenditures.

H. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of time, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either no in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. 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.

MAZON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fund Balances/Net Position (Continued)

Formal actions include ordinances approved by the District Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's Administrator. Any residual fund balance of the General Fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the District's restricted net positions are restricted as a result of enabling legislation adopted by the District. Invested in capital assets, net of related debt is the book value of the capital assets less the outstanding principal balance of long-term debt issued to construct or acquire the capital assets.

J. Interfund Transactions

Since there is only one fund, interfund transactions are non-existent.

K. Accounting 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 expenditure/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2- DEPOSITS AND INVESTMENTS

The District is allowed to invest pursuant to the Public Funds Investment Act. Under the act, the District is authorized to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations. Allowed investments include U.S. Government obligations and its agencies or instrumentalities and money market mutual funds registered under the Investment Company Act of 1940 that invest in allowable securities and fully collateralized repurchase agreements.

MAZON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 2- DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At April 30, 2022, the carrying amount of the District's deposits was \$343,656. All of the deposits were covered by federal depository insurance or collateral held by the District or its agent, in the District's name.

NOTE 3 - RECEIVABLE – TAXES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the governmental activities is represented by property taxes receivable. Property taxes receivables are shown for the entire 2021 tax levy.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, unearned property tax revenue in the amount of \$148,500 represents the entire 2021 tax levy.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022 was as follows:

	Balance May 1, 2021	Increases	Decreases	Balance April 30, 2022
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 27,990	\$ -	\$ -	\$ 27,990
Construction in Progress	-	-	-	-
Total Capital Assets not being depreciated	<u>27,990</u>	<u>-</u>	<u>-</u>	<u>27,990</u>
Other Capital Assets				
Buildings & Improvements	270,917	-	-	270,917
Vehicles	577,448	-	-	577,448
Furniture & Equipment	309,747	-	-	309,747
Total Other Capital Assets at Historical Cost	<u>1,158,112</u>	<u>-</u>	<u>-</u>	<u>1,158,112</u>
Less Accumulated Depreciation for				
Buildings & Improvements	110,216	5,418	-	115,634
Vehicles	413,448	36,757	-	450,205
Furniture & Equipment	239,980	25,776	-	265,756
Total Accumulated Depreciation	<u>763,644</u>	<u>67,951</u>	<u>-</u>	<u>831,595</u>
Other Capital Assets, Net	<u>394,468</u>	<u>(67,951)</u>	<u>-</u>	<u>326,517</u>
Government Activities Capital Assets, Net	<u>\$ 422,458</u>	<u>\$ (67,951)</u>	<u>\$ -</u>	<u>\$ 354,507</u>

MAZON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 4 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Government Activities:	
Public Safety	
Fire Protection	\$ 67,951
Unallocated	-
Total Government Activities Depreciation Expense	<u>\$ 67,951</u>

NOTE 5 – RISK MANAGEMENT

The District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters for which the district carries commercial insurance. There have been no significant reductions in coverage from the prior year and since there have been no settlements, they have not exceeded coverage in the past three years.

**MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - FIRE FUND**

Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	2022
REVENUES			
Property taxes	\$ 148,800	\$ 148,800	\$ 141,169
Foreign fire insurance tax	1,300	1,300	3,518
Donations	4,000	4,000	-
Interest income	250	250	229
Grant Income	30,000	30,000	19,065
Sale of Assets	-	-	-
Other Income	2,500	2,500	8,275
TOTAL REVENUES	186,850	186,850	172,256
EXPENDITURES			
Current			
Salary of Treasurer	2,500	2,500	1,800
Fireman Training & Meetings	-	-	-
Audit Fees	2,100	2,100	3,218
Legal & Professional	5,000	5,000	1,821
Telephone & Internet	7,000	7,000	8,362
Insurance	18,000	18,000	15,891
Office Supplies	4,100	4,100	6,002
Association Dues	3,000	3,000	725
Grant Applications	250	250	-
Printing & Publishing	300	300	-
Miscellaneous Operating Supplies	4,000	4,000	5,311
Personal Physicals	2,800	2,800	4,048
Training Publications	12,500	12,500	4,956
Vehicle gas & oil	10,000	10,000	3,684
Equipment maintenance & repairs	30,000	30,000	6,634
Utilities	3,000	3,000	1,710
Building maintenance & repairs	12,000	12,000	4,239
Capital Outlay:			
Building furnishings & fire equipment	2,000	2,000	12,806
Personal equipment	70,000	70,000	8,552
Debt Service			
Principal	-	-	-
Interest	-	-	2,500
TOTAL EXPENDITURES	188,550	188,550	92,259

(See independent auditor's report.)

**MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - FIRE FUND**

Year Ended April 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	<u>2022</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,700)	(1,700)	79,997
NET CHANGE IN FUND BALANCE	<u>\$ (1,700)</u>	<u>\$ (1,700)</u>	79,997
FUND BALANCE - MAY 1, 2021			<u>262,085</u>
FUND BALANCE - APRIL 30, 2022			<u>\$ 342,082</u>

(See independent auditor's report.)

MAZON FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

NOTE 1- BUDGETARY DISCLOSURES

The District adopts an annual budget for its General (Corporate) Fund. The annual budget is prepared on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis of accounting records revenue as the cash is received and expenditures are recorded when cash is disbursed. For the District, differences between budget basis and accounting basis for financial statement purposes are insignificant and, therefore, have not been adjusted to reflect the differences. The Board of Trustees is authorized to transfer budgeted amounts among the various expenditure amounts; however, any revisions that alter the total expenditures must be approved in the form of an amended budget. All annual appropriations lapse at year end.

REQUIRED SUPPLEMENTARY INFORMATION

**MAZON FIRE PROTECTION DISTRICT
MAZON, ILLINOIS**

Property Tax Assessed Valuations, Rates, Extensions, and Collections
April 30, 2022

Tax Levy Year	2021		2020	
Assessed Valuation	Grundy County 54,845,168		Grundy County 51,667,955	
	Rate	Amount	Rate	Amount
Tax Extensions				
Corporate	0.26951	\$ 128,400	0.26698	\$ 121,648
Audit	0.00441	2,101	0.00461	2,101
Liability Insurance	0.03778	17,999	0.03950	17,998
	0.31170	\$ 148,500	0.31109	\$ 141,747
Tax collections:				
year ended April 30, 2022		\$ -		\$ 141,169
Previous years		-		-
		\$ -		\$ 141,169
Percent collected		0.0%		99.6%

Property tax rates are per \$100 of assessed valuation. Assessed valuation, rates and extended amounts of property taxes levied have been presented for each of the counties for which the District files a property tax levy.