

# Section IV



IFA

2017

Financial

Reports

ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.

REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2017

ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.  
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To the Board of Trustees of  
Illinois Firefighter's Association, Inc.

We have reviewed the accompanying financial statements of the Illinois Firefighter's Association, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2017, the related statement of revenues collected, expenses paid, and net assets – cash basis, and the statement of functional expenses – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

#### **Accountant's Responsibility**

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

#### **Accountant's Conclusion**

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

#### **Basis of Accounting**

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

As described in Note 4 to the financial statements, the Organization has significant managerial and financial relationships with Illinois Firefighter's Association Foundation, Inc. The financial statements do not present the combined results of activities or financial position of this related organization. In our opinion, the financial statements should be adjusted to combine the results of revenues collected and expenses paid – cash basis and statement of assets, liabilities and net assets – cash basis of Illinois Firefighter's Association, Inc. and Illinois Firefighter's Association Foundation, Inc. to conform with the cash basis of accounting. The effect of this departure is not readily determinable.

*Hughes, Cameron & Company, LLC*

Hughes, Cameron & Company, LLC  
Godfrey, IL  
August 7, 2018

ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS  
DECEMBER 31, 2017

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 15,192
Total Current Assets	<u>15,192</u>
Non-Current Assets:	
Cash and Cash Equivalents - For Restricted Use	16,487
Certificates of Deposit - For Restricted Use	<u>126,547</u>
Total Non-Current Assets	<u>143,034</u>
Total Assets	<u><u>158,226</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Total Liabilities	<u>-</u>
Net Assets:	
Temporarily Restricted	143,034
Unrestricted	<u>15,192</u>
Total Net Assets	<u>158,226</u>
Total Liabilities and Net Assets	<u><u>\$ 158,226</u></u>

See accompanying notes and independent accountant's review report.

ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.  
STATEMENT OF REVENUES COLLECTED, EXPENSES PAID,  
AND NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues Collected:			
Membership Dues	\$ 38,380	\$ -	\$ 38,380
Bulletin Advertising	4,050	-	4,050
Indemnity Assessments	-	11,161	11,161
Licensing Agreements	4,810	-	4,810
Interest Income	15	2,528	2,543
Miscellaneous Income	189	-	189
Assets Released from Restrictions	11,030	(11,030)	-
Total Revenue	<u>58,474</u>	<u>2,659</u>	<u>61,133</u>
Expenses and Losses:			
Program Services:			
Education	36,936	-	36,936
Total Program Services	<u>36,936</u>	<u>-</u>	<u>36,936</u>
Supporting Services:			
Management and General	21,644	-	21,644
Fundraising	1,526	-	1,526
Total Supporting Services	<u>23,170</u>	<u>-</u>	<u>23,170</u>
Total Expenses	<u>60,106</u>	<u>-</u>	<u>60,106</u>
Increase (Decrease) In Net Assets	(1,632)	2,659	1,027
Net Assets At Beginning of Year	<u>16,824</u>	<u>140,375</u>	<u>157,199</u>
Net Assets At End of Year	<u>\$ 15,192</u>	<u>\$ 143,034</u>	<u>\$ 158,226</u>

See accompanying notes and independent accountant's review report.

ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>		<u>Total</u> <u>Functional</u> <u>Expenses</u>
		<u>Management</u> <u>and</u> <u>General</u>	<u>Fund-</u> <u>raising</u>	
Salaries & Payroll Taxes	\$ 6,728	\$ 6,055	\$ 673	\$ 13,456
Professional Fees	970	970	-	1,940
Office Supplies	25	23	2	50
Postage	219	197	22	438
Conferences	3,477	3,130	348	6,955
Board Meeting Expenses	519	467	52	1,038
Consultant Fees	6,151	6,150	-	12,301
Annual Filing Fees	-	25	-	25
Insurance	1,185	1,066	118	2,369
Bulletins	2,171	1,954	217	4,342
PAC Expense	640	576	64	1,280
Indemnity Fund Expense	9,750	-	-	9,750
Dues, Subscriptions, Fees	58	52	6	116
Web Site	171	154	17	342
Contribution to Related Organizations	4,810	-	-	4,810
Income Taxes	-	770	-	770
Other Expenses	62	55	7	124
Total	<u>\$ 36,936</u>	<u>\$ 21,644</u>	<u>\$ 1,526</u>	<u>\$ 60,106</u>

See accompanying notes and independent accountant's review report.

ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

The Illinois Firefighter's Association, Inc. is a nonprofit organization which provides programs to promote fire safety and provides limited benefits to fallen firefighters or their families. The organization is affiliated with the Illinois Firefighters Association Foundation, Inc. (Foundation), and the Foundation provides funding for the Association's operations. The Board of directors serves both organizations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The Organization uses the cash receipts and disbursements method of accounting. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Financial Statement Presentation – To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the financial transactions of the Organization are classified as follows:

Unrestricted Net Assets – This includes resources available for support of the Organization's operations. Each year the Board designates resources of the Unrestricted Fund for specific use. However, the Board is not bound by these designations and may adjust them, as they deem necessary.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Revenues, Expenses, and Change in Net Assets cash basis as released from restrictions. The Organization has temporarily restricted net assets at December 31, 2017, totaling \$143,034 (Note 3).

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for the general or specific purpose. The Organization had no permanently restricted net assets at December 31, 2017.

Donations – The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Tax Exempt Status – The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(4).

Allocated Expenses – Expenses by function have been allocated between program and supporting services classifications by directly charging the program when it can be specifically identified with it. Those expenses that cannot be specifically identified with a program are generally charged based on allocations of estimated time spent on the programs.

Cash and Cash Equivalents – For the purpose of the financial statements, cash and cash equivalents represent cash on deposit with an original maturity of three months or less.

Advertising – Advertising costs of the Organization are expensed as incurred.



ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments – The Organization invests excess Indemnity funds into guaranteed certificates of deposit, which are carried at cost. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. Investment income resulting from donor restrictions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

Subsequent Events - The Organization has evaluated subsequent events through August 7, 2018, the date on which the financial statements were available to be issued.

NOTE 2. CONCENTRATIONS OF RISK

The Organization is headquartered in Glen Carbon, Illinois. The Organization receives donations from memberships, contributions and fund raising support from member departments throughout the State of Illinois. Accordingly, the receipts of the Organization are affected by the general economic conditions of the State.

NOTE 3. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2017, the Organization had temporarily restricted net assets available for the following purposes:

	<u>2017</u>
Indemnity Fund	\$ 142,906
PAC Fund	128
Total Temporarily Restricted Net Assets	<u>\$ 143,034</u>

Indemnity Fund - The Indemnity Fund has been established to provide death benefits and injury benefits to individuals within member departments who are disabled either temporarily or permanently, or fatally injured while performing in the line of duty. The maximum amount paid to any individual for a specific injury or death is \$3,000. The fund is maintained by assessments paid by member departments, as funds are required to meet benefit payments. The number of assessments will vary each year according to the amount of injury claims made. Excess funds are invested in guaranteed certificates of deposits. Members of the Association may elect not to participate in the Indemnity Fund.

Political Action Committee (PAC) Fund – The PAC Fund has been established to provide the Organization with funds to support political activities/contributions.

NOTE 4. RELATED PARTY TRANSACTIONS

A company owned by an officer of Illinois Firefighter's Association, Inc. provided printing services to the Organization. Total services purchased for the year ended December 31, 2017, was approximately \$3,330.

The Board of Directors and management of Illinois Firefighter's Association, Inc. provide substantial oversight, management, and common directorship of Illinois Firefighter's Association Foundation, Inc.

A summary of transactions with related organizations is as follows:

	<u>Illinois Firefighter's Association Foundation, Inc.</u>	
Revenues -		
Contribution from Association	\$	4,810
Total Revenues	<u>\$</u>	<u>4,810</u>

ILLINOIS FIREFIGHTER'S ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 4. RELATED PARTY TRANSACTIONS (continued)

Summarized financial data of Illinois Firefighters Association Foundation, Inc. at December 31, 2017 is as follows:

Illinois Firefighter's  
Association Foundation, Inc.

Statement of Assets, Liabilities, and Net Assets

Current Assets	\$	99,299
Total Assets		99,299
Current Liabilities		-
Total Net Assets		99,299
Total Liabilities and Net Assets	\$	99,299

Statement of Revenues Collected, Expenses Paid,  
and Change in Net Assets

Revenues Collected	\$	372,526
Revenue from Related Organization		4,810
Total Revenues		377,336
Total Expenditures		(377,381)
Change in Net Assets	\$	(45)

NOTE 5. INCOME TAXES

The Organization has been classified as an other than private foundation and is tax-exempt under Section 501(c)(4) of the Internal Revenue Code. The Organization is subject to tax on income from any unrelated business. On January 1, 2009, the Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2014. The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

During the current year, the Organization received unrelated business taxable income of \$4,810 from a licensing agreement for the use of the Organization's logo and royalties from issuing prescription discount cards.

ILLINOIS FIREFIGHTER'S ASSOCIATION  
FOUNDATION, INC.

REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2017

ILLINOIS FIREFIGHTER'S ASSOCIATION FOUNDATION, INC.  
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Illinois Firefighter's Association Foundation, Inc.

We have audited the accompanying financial statements of the Illinois Firefighter's Association Foundation, Inc. (a nonprofit organization) which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2017, and the related statement of revenues collected, expenses paid, and change in net assets – cash basis, and functional expenses – cash basis for the year then ended, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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 opinion.

**Basis for Qualified Opinion**

No accounting controls are exercised over the contracted professional fundraiser's revenues collected and expenses paid. We were unable to obtain sufficient appropriate audit evidence about the amount recognized for the fundraiser's contributions collected and expenses paid for the year ended December 31, 2017, because there were no accounting controls. Consequently, we were unable to determine whether any adjustment to those amounts were necessary.

As described in Note 5 to the financial statements, the Organization has significant managerial and financial relationships with Illinois Firefighter's Association, Inc. The financial statements do not present the combined results of activities or financial position of this related organization. In our opinion, the financial statements should be adjusted to combine the results of revenues collected and expenses paid – cash basis and statement of assets, liabilities and net assets - cash basis of Illinois Firefighter's Association Foundation, Inc. and Illinois Firefighter's Association, Inc. to conform with the cash basis of accounting. The effect of this departure is not readily determinable.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Firefighter's Association Foundation, Inc. as of December 31, 2017, and the changes in its net assets its and cash flows for the years then ended in accordance with the cash basis of accounting.

#### **Basis of Accounting**

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

*Hughes, Cameron + Company, LLC*

Hughes, Cameron & Company, LLC  
Godfrey, IL  
August 7, 2018

ILLINOIS FIREFIGHTER'S ASSOCIATION FOUNDATION, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS  
DECEMBER 31, 2017

ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 96,749
Total Current Assets	<u>96,749</u>
Non-Current Assets:	
Cash and Cash Equivalents - For Restricted Use	2,550
Total Non-Current Assets	<u>2,550</u>
Total Assets	<u><u>99,299</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	-
Total Liabilities	<u>-</u>
Net Assets:	
Temporarily Restricted	2,550
Unrestricted	96,749
Total Net Assets	<u>99,299</u>
Total Liabilities and Net Assets	<u><u>\$ 99,299</u></u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS FIREFIGHTER'S ASSOCIATION FOUNDATION, INC.  
STATEMENT OF REVENUES COLLECTED, EXPENSES PAID,  
AND CHANGE IN NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues Collected:</b>			
Program Income - Conference	\$ 10,147	\$ -	\$ 10,147
Fundraiser Income	354,069	-	354,069
Donations	6,641	-	6,641
Interest Income	356	-	356
Miscellaneous Income	1,313	-	1,313
Contribution from Related Organization	4,810	-	4,810
Assets Released from Restrictions	2,984	(2,984)	-
Total Revenue	<u>380,320</u>	<u>(2,984)</u>	<u>377,336</u>
<b>Expenses and Losses:</b>			
Program Services	79,461	-	79,461
Total Program Services	<u>79,461</u>	<u>-</u>	<u>79,461</u>
<b>Supporting Services:</b>			
Management and General	6,721	-	6,721
Fundraising	291,199	-	291,199
Total Supporting Services	<u>297,920</u>	<u>-</u>	<u>297,920</u>
Total Expenses	<u>377,381</u>	<u>-</u>	<u>377,381</u>
Increase (Decrease) In Net Assets	2,939	(2,984)	(45)
Net Assets At Beginning of Year	<u>93,810</u>	<u>5,534.00</u>	<u>99,344</u>
Net Assets At End of Year	<u>\$ 96,749</u>	<u>\$ 2,550</u>	<u>\$ 99,299</u>

The accompanying notes are an integral part of the financial statements.



ILLINOIS FIREFIGHTER'S ASSOCIATION FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>		<u>Total</u> <u>Functional</u> <u>Expenses</u>
		<u>Management</u> <u>and</u> <u>General</u>	<u>Fund-</u> <u>raising</u>	
Grants	\$ 2,000	\$ -	\$ -	\$ 2,000
Audit Fee	-	4,100	-	4,100
Telephone	93	93	-	186
Postage	37	36	-	73
Printing & Copying	2,394	-	-	2,394
Conferences	67,756	-	-	67,756
NVFC Meeting	671	-	-	671
Other Conferences, Meetings	2,570	-	-	2,570
Travel	1,144	-	-	1,144
Annual Filing Fees	-	25	-	25
Dues and Subscriptions	250	250	-	500
Bank & Credit Card Fees	329	-	6,577	6,906
Fundraising Fees	-	-	284,622	284,622
Assessments	1,250	1,250	-	2,500
Other Expenses	967	967	-	1,934
Total Expenses	<u>\$ 79,461</u>	<u>\$ 6,721</u>	<u>\$ 291,199</u>	<u>\$ 377,381</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS FIREFIGHTER'S ASSOCIATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

The Illinois Firefighter's Association Foundation, Inc. is a nonprofit organization which provides grants and scholarships for firefighting educational programs and is affiliated with the Illinois Firefighter's Association, Inc. The Board of directors serves both organizations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The Organization uses the cash receipts and disbursements method of accounting. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Financial Statement Presentation – To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the financial transactions of the Organization are classified as follows:

Unrestricted Net Assets – This includes resources available for support of the Organization's operations. Each year the Board designates resources of the Unrestricted Fund for specific use. However, the Board is not bound by these designations and may adjust them, as they deem necessary.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Revenues Collected, Expenses Paid, and Change in Net Assets cash basis as released from restrictions. The Organization had temporarily restricted net assets of \$2,550 at December 31, 2017.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for the general or specific purpose. The Organization had no permanently restricted net assets at December 31, 2017.

Donations – The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Tax Exempt Status – The Organization is exempt from income taxes under Internal Revenue Code Section 501 (c) (3).

Allocated Expenses – Expenses by function have been allocated between program and supporting services classifications by directly charging the program when it can be specifically identified with it. Those expenses that cannot be specifically identified with a program are generally charged based on allocations of estimated time spent on the programs.

Cash and Cash Equivalents – For the purpose of the financial statements, cash and cash equivalents represent cash on deposit with an original maturity of three months or less.

Advertising – Advertising costs of the Organization are expensed as incurred.

Subsequent Events - The Organization has evaluated subsequent events through August 7, 2018, the date on which the financial statements were available to be issued.

ILLINOIS FIREFIGHTER'S ASSOCIATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 2. CONCENTRATIONS OF RISK

The Organization is headquartered in Glen Carbon, Illinois. The Organization receives donations, contributions and fund raising support from member departments throughout the State of Illinois. In addition, the Organization receives a significant portion of its total receipts from fundraisers conducted by contracted professional fundraisers (in excess of 90%). Accordingly, the receipts of the Organization are affected by the general economic conditions of the State and performance of the paid fundraiser.

NOTE 3. PROFESSIONAL FUNDRAISING

The Organization signed a contract with Safety Programs, Inc. (SPI) in May 2017, to perform professional fundraising services. Proceeds are deposited weekly into a separate checking account. Under the terms of the contract, the Organization retains 20% of all funds collected by SPI.

In May of 2017, the Organization signed a contract allowing Safety Programs, Inc. to subcontract with Telenet & Associates, Inc. (TAI) and Midwest Marketing Firm, Inc. (MMF) to conduct fundraising on behalf of the Illinois Firefighter's Association Foundation, Inc. The weekly funds collected by TAI and MMF will be disbursed as follows: 75% to TAI & MMF, 20% to the Organization, and 5% to SPI.

<u>Collection of Revenues</u>	<u>Cost of Collections</u>	<u>Collection in Excess of Costs</u>
\$ 354,069	\$ 284,622	\$ 69,447

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2017 the Organization had temporarily restricted net assets available for the following purposes:

	<u>2017</u>
Memorial Program	<u>\$ 2,550</u>

Memorial Service – The Organization was the recipient of a donation that is restricted for the recording and distribution of the Organization's Memorial Service, which is held at the Organization's annual conference. The Memorial Service is to honor all firefighters in the State of Illinois who have passed away during the preceding year.

NOTE 5. RELATED PARTY TRANSACTIONS

A company owned by an officer of Illinois Firefighter's Association Foundation, Inc. provided printing services to the Organization. Total services purchased for the year ended December 31, 2017, was approximately \$2,015.

The Board of Directors and management of Illinois Firefighter's Association, Inc. provides substantial oversight, management, and common directorship of Illinois Firefighter's Association Foundation, Inc.

A summary of transactions with related organizations is as follows:

	<u>Illinois Firefighter's Association, Inc.</u>
Expenses -	
Contribution to Foundation	\$ 4,810
Total Expenses	<u>\$ 4,810</u>

ILLINOIS FIREFIGHTER'S ASSOCIATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 5. RELATED PARTY TRANSACTIONS (continued)

Summarized financial data of Illinois Firefighters Association, Inc. at December 31, 2017 is as follows:

Statement of Assets, Liabilities, and Net Assets

	<u>Illinois Firefighter's Association, Inc.</u>
Current Assets	\$ 15,192
Non-Current Assets	143,034
Total Assets	<u>158,226</u>
Liabilities	-
Total Net Assets	<u>158,226</u>
Total Liabilities and Net Assets	<u>\$ 158,226</u>

Statement of Revenues Collected, Expenses Paid,  
and Net Assets

Total Revenues	<u>\$ 61,133</u>
Program and Supporting Expenses	(55,296)
Contributions to Related Organizations	(4,810)
Total Expenditures	<u>(60,106)</u>
Increase in Net Assets	<u>\$ 1,027</u>

NOTE 6. INCOME TAXES

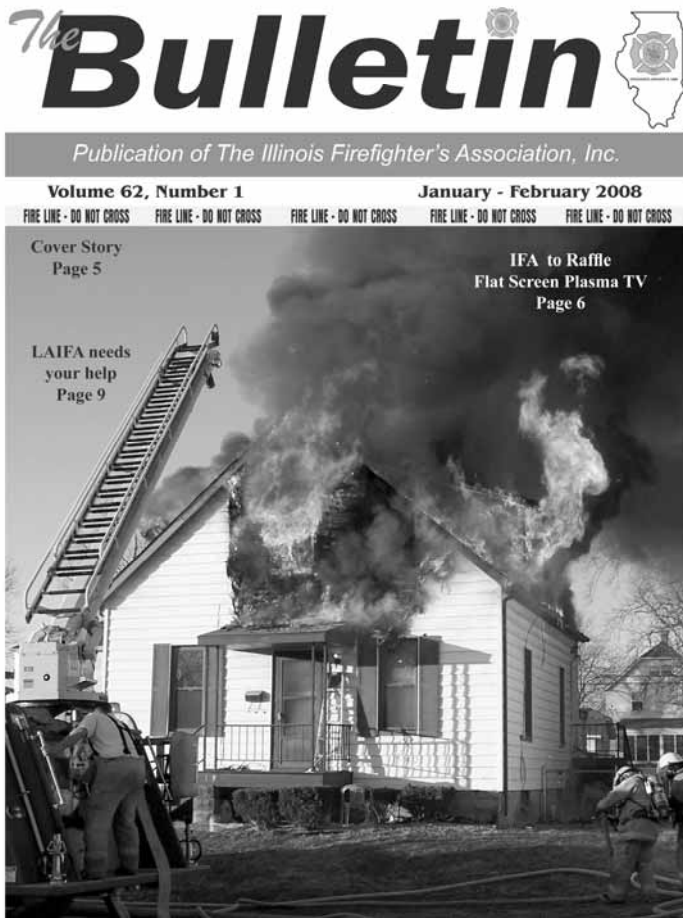
The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to tax on income from any unrelated business. On January 1, 2009, the Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2014. The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.



# The Bulletin

The IFA's official bi-monthly newsletter welcomes relevant submissions.



- \*No payment offered for any submissions.
- \*Specs: brief (500 words), "reader-friendly"; typed/double-spaced /white paper/8 1/2 x 11. (Electronic copy preferred)
- \*Include submitter's name, title, affiliation, address, phone number(s), e-mail address.
- \*No disk copy accepted without hard-copy. (Electronic copy preferred)
- \*Photos welcome - print or digital
- \*Manuscripts and disks non returnable
- \*Photos returnable only when postage paid mailing package provided.
- \*Fire service-related advertising accepted.
- \*Submissions/photos/advertising acceptance at discretion of IFA.
- \*Publication free to members.
- \*Copies available for purchase.
- \*Subscriptions available.

# The Redbook

- \*The IFA's annual report is an internal, data-sensitive document.
- \*Data supplied by members.
- \*Unsolicited submissions not accepted.
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