

Agenda Item #

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**BARRINGTON COUNTRYSIDE  
FIRE PROTECTION DISTRICT  
AUDITED FINANCIAL STATEMENTS  
APRIL 30, 2003**

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT  
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D A M, S N E L L &amp; T A V E I R N E, L T D.

C E R T I F I E D • P U B L I C • A C C O U N T A N T S

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## INDEPENDENT AUDITOR'S REPORT

November 15, 2003

To the Board of Trustees  
Barrington Countryside Fire Protection District  
Barrington, Illinois

We have audited the combined financial statements of the Barrington Countryside Fire Protection District as of and for the year ended April 30, 2003 as listed in the table of contents of this report.

These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Barrington Countryside Fire Protection District at April 30, 2003 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

DAM, SNELL & TAVEIRNE, LTD.  
Certified Public Accountants

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT  
COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS  
APRIL 30, 2003

EXHIBIT 1

	Fund Types		Account Groups		Total (Memorandum Only)
	General (Corporate)	Special Revenue (Ambulance)	General Fixed Assets	General Long- Term Debt	
<b>ASSETS</b>					
CASH					
NOW account	\$ 3,574	\$ -	\$ -	\$ -	\$ 3,574
INVESTMENTS					
Certificates of deposit and money market accounts	2,519,656	648,616	-	-	3,168,272
RECEIVABLES					
Property taxes receivable	1,446,428	849,430	-	-	2,295,858
Interest receivable	6,293	1,705	-	-	7,998
Ambulance fee receivable	-	25,241	-	-	25,241
PROPERTY AND EQUIPMENT	-	-	2,367,418	-	2,367,418
AMOUNT TO BE PROVIDED TO RETIRE GENERAL LONG- TERM DEBT	-	-	-	2,395,000	2,395,000
<b>Total Assets</b>	<b>\$ 3,975,951</b>	<b>\$ 1,524,992</b>	<b>\$ 2,367,418</b>	<b>\$ 2,395,000</b>	<b>\$ 10,263,361</b>
<b>LIABILITIES AND FUND EQUITY</b>					
LIABILITIES					
Accounts payable	\$ 89,075	\$ 94,210	\$ -	\$ -	\$ 183,285
Fire protection notes payable	-	-	-	2,395,000	2,395,000
Deferred property tax revenue	1,446,428	849,430	-	-	2,295,858
Total liabilities	1,535,503	943,640	-	2,395,000	4,874,143
FUND EQUITY					
Fund balances					
Reserved	1,267,605	-	-	-	1,267,605
Unreserved	1,172,843	581,352	-	-	1,754,195
Investment in fixed assets	-	-	2,367,418	-	2,367,418
Total fund equity	2,440,448	581,352	2,367,418	-	5,389,218
<b>Total liabilities and fund equity</b>	<b>\$ 3,975,951</b>	<b>\$ 1,524,992</b>	<b>\$ 2,367,418</b>	<b>\$ 2,395,000</b>	<b>\$ 10,263,361</b>

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

**BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT  
COMBINED STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED APRIL 30, 2003**

EXHIBIT 2

	General (Corporate)	Special Revenue (Ambulance)	Total (Memorandum Only)
<b>REVENUE</b>			
Property taxes	\$ 979,416	\$ 633,011	\$ 1,612,427
Replacement taxes	6,894	-	6,894
Foreign fire insurance tax	13,505	-	13,505
Interest income	39,250	10,626	49,876
Ambulance user fees	-	189,332	189,332
Other	4,645	2,935	7,580
<b>Total revenue</b>	<u>1,043,710</u>	<u>835,904</u>	<u>1,879,614</u>
<b>EXPENDITURES</b>			
Public safety			
Fire call service fee	925,032	-	925,032
Insurance	666	665	1,331
Trustee fees and bonds	4,125	4,125	8,250
Bookkeeping fees	5,673	5,673	11,346
Recording secretary fees	1,625	1,625	3,250
Professional fees	6,578	6,577	13,155
Office supplies and other	3,090	2,289	5,379
Special projects	1,357	1,358	2,715
Building maintenance	3,383	3,383	6,766
Utilities	6,226	6,225	12,451
Debt issue costs	15,000	-	15,000
Debt service	90,702	-	90,702
Health			
Ambulance call service fees	-	733,488	733,488
Capital outlay			
New station costs	7,237	-	7,237
Equipment	-	20,449	20,449
<b>Total expenditures</b>	<u>1,070,694</u>	<u>785,857</u>	<u>1,856,551</u>
<b>Excess (deficiency) of revenues over expenditures before other sources</b>	<b>(26,984)</b>	<b>50,047</b>	<b>23,063</b>
<b>OTHER FINANCING SOURCES</b>			
Fire protection note proceeds	<u>1,300,000</u>	-	<u>1,300,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,273,016</b>	<b>50,047</b>	<b>1,323,063</b>
<b>FUND BALANCES - Beginning</b>	<u>1,167,432</u>	<u>531,305</u>	<u>1,698,737</u>
<b>FUND BALANCES - Ending</b>	<u>\$ 2,440,448</u>	<u>\$ 581,352</u>	<u>3,021,800</u>

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

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT  
 COMBINED STATEMENT OF REVENUE, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED APRIL 30, 2003

EXHIBIT 3

	Fund Types			
	General		Special Revenue	
	Actual	Budget	Actual	Budget
<b>REVENUE</b>				
Property taxes	\$ 979,416	\$ 863,000	\$ 633,011	\$ 557,000
Replacement taxes	6,894	10,000	-	-
Foreign fire insurance tax	13,505	10,000	-	-
Interest income	39,250	41,250	10,626	13,750
Ambulance user fees	-	-	189,332	190,000
Other	4,645	1,000	2,935	-
Total revenue	<u>1,043,710</u>	<u>925,250</u>	<u>835,904</u>	<u>760,750</u>
<b>EXPENDITURES</b>				
Public safety				
Fire call service fee	925,032	1,280,000	-	-
Insurance	666	4,000	665	4,000
Trustee fees and bonds	4,125	5,000	4,125	2,500
Bookkeeping fees	5,673	2,000	5,673	2,000
Recording secretary fees	1,625	2,000	1,625	2,000
Professional fees	6,578	18,500	6,577	18,500
Office supplies and other	3,090	3,500	2,289	3,500
Special projects	1,357	6,500	1,358	2,500
Building maintenance	3,383	15,000	3,383	15,000
Utilities	6,226	15,000	6,225	15,000
Debt issue costs	15,000	-	-	-
Lease of property	-	30,000	-	30,000
Contingencies	-	10,000	-	10,000
Debt service	90,702	89,500	-	-
Health				
Ambulance call service fees	-	-	733,488	1,072,000
Capital outlay				
New station costs	7,237	500,000	-	-
Equipment	-	155,000	20,449	150,000
Total expenditures	<u>1,070,694</u>	<u>2,136,000</u>	<u>785,857</u>	<u>1,327,000</u>
Excess (deficiency) of revenues over expenditures before other sources	(26,984)	<u>(1,210,750)</u>	50,047	<u>(566,250)</u>
<b>OTHER FINANCING SOURCES</b>				
Fire protection note proceeds	<u>1,300,000</u>	-	-	-
Excess (deficiency) of revenues over expenditures	1,273,016	-	50,047	-
FUND BALANCES - Beginning	<u>1,167,432</u>	-	<u>531,305</u>	-
FUND BALANCES - Ending	<u>\$ 2,440,448</u>	-	<u>\$ 581,352</u>	-

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

**BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2003**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

- A. **Reporting Entity** – The District provides fire protection and ambulance services for certain areas of Cook, Lake and McHenry Counties. In evaluating how to define the government for financial reporting purposes, all potential component units have been considered. The decision to include or exclude a potential component unit in the District's financial statements was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. Under Government Accounting Standards Board (GASB), the primary basis of determining whether outside agencies and organizations should be included in the District's financial statements is the significance of their operational or financial relationships. Based on the foregoing criteria, there are no component units included in these statements.
- B. **Fund Accounting** – The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. The various funds are grouped, in the financial statements in this report as follows:

**GOVERNMENTAL FUNDS**

**General Fund** – The General Fund is the general operating fund of the District. It is used to account for fire protection services and financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Ambulance Fund is the District's Special Revenue Fund.

**ACCOUNT GROUPS**

**General Fixed Assets Account Group** - accounts for District general fixed assets.

**General Long-Term Debt Account Group** - accounts for the outstanding principal balances of bonds and other long-term debt.

- C. **Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The District's financial statements have been prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available, and expenditures are recognized when incurred.

- D. Budgets and Budgetary Accounting – The term “budget” used throughout the financial statements represents the estimated revenues and appropriations as set forth in the District’s annual appropriations ordinance.

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

1. The Board of Trustees prepares a proposed budget for the fiscal year. The budget includes proposed expenditures and the means of financing them.
  2. A public hearing is conducted to obtain taxpayer comments.
  3. The budget was legally enacted through passage of an ordinance on July 15, 2002.
  4. The District is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total expenditures of any fund. Appropriations lapse at fiscal year end.
  5. Formal budgetary integration is employed as a management control device during the year.
  6. The budget for all funds is prepared on the modified accrual basis.
- E. Fixed Assets – Fixed Assets are accounted for in the General Fixed Assets Account Group. Purchases of property and equipment are recorded as capital outlay expenditures of the various funds and as additions to the General Fixed Assets Account Group. No depreciation is recorded on general fixed assets.
- F. Investments – Investments are stated at cost, which approximates market.
- G. Total Columns on Combined Statements – Total columns on the Combined Statements are caption “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.
- H. Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### NOTE 2 – CONTRACT FOR FIRE AND AMBULANCE PROTECTION SERVICE

The District has a contract with the Village of Barrington to provide fire and ambulance service in unincorporated areas. As part of the agreement, the District agrees to compensate the Village for services so rendered based on a cost allocation formula. Total expenditures under the contract for fire and ambulance call service fees were \$ 1,678,969 for the year ended April 30, 2003.

#### NOTE 3 – INDIVIDUAL FUND INFORMATION

Information regarding individual funds can be obtained from the combined financial statements. The District maintains two funds - Corporate (General) and Ambulance (Special Revenue). Transactions and balances for the Project account related to the proceeds of fire protection notes are reflected in the General Fund for financial statement purposes.



**NOTE 4 – CHANGES IN GENERAL FIXED ASSETS**

During the year ended April 30, 2003, general fixed asset additions and disposals were as follows.

	Balance April 30, 2002	Additions	Deletions	Balance April 30, 2003
Equipment	\$1,151,223	\$20,448		\$1,171,671
Asset under capital lease-				
Building	1,195,747	-	-	1,195,747
Totals	\$2,346,970	\$20,448	-	\$2,367,418

**NOTE 5 – PROPERTY TAX INFORMATION**

The District's property tax is levied each year on all taxable property located in the District and is extended by the Cook County Clerk in August of the year following the levy year. Lake and McHenry Counties extend taxes early in the year following the levy year. The lien date is January 1 of the year of the levy. Taxes are due to the counties in two installments; in June and September of the year following the levy year for Lake and McHenry Counties; and in February and August for Cook County. The counties make distributions to the District shortly after collection. The District adopted the 2002 levy in December 2002. Financial statement revenues reflect \$1,143,081 from the 2001 levy and \$469,346 from the 2002 levy.

Property tax revenue is recognized when the revenue becomes available to meet current year's expenditures. Availability is typically recognized upon receipt. The District records property taxes receivables for calendar year 2002 and the revenue is deferred until it becomes available.

Calendar year 2003 property taxes have not been levied, and are not currently measurable. Therefore, the receivable for these taxes and related deferred revenue have not been recorded.

**NOTE 6 – AMBULANCE USER FEES**

Ambulance user fees are recorded as revenues when collected by the Village of Barrington. No allowance is made for claims in progress.

**NOTE 7 – CASH AND INVESTMENTS**

Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and the state treasurer's investment pool.

At April 30, 2003, the carrying amount of the District's deposits with financial institutions was \$3,171,846. The bank balance is categorized as follows.

Amount insured by FDIC	\$ 300,000
Amount collateralized with securities held by the pledging financial institution's agent in the District's name	2,872,697
Uninsured and uncollateralized	-
Total bank balances	<u>\$3,172,697</u>

All investments at year - end were in deposit accounts.

**NOTE 8 – LONG TERM DEBT**

The following is a summary of the District's long-term debt transactions for the year ended April 30, 2003.

Beginning balance	\$ 1,120,000
Additional fire protection district notes issued	1,300,000
Repayments	(25,000)
Ending balance	<u>\$ 2,395,000</u>

On October 15, 1996, the District issued Fire Protection Notes in the amount of \$1,200,000 for the purpose of constructing a fire station. Principal and interest payments are due semiannually on January 1 and July 1 beginning January 1, 1998 with the final payment due January 1, 2026. Annual principal payments range from \$25,000 in 2004 to \$85,000 in 2026. Interest is payable at rates ranging from 5.1% to 6.0%. The Notes are general obligations of the District and are payable from the general fund.

On December 15, the District issued Fire Protection Notes in the amount of \$1,300,000 for the purpose of constructing a fire station. Principal and interest payments are due semiannually on April 1 and October 1 beginning October 1, 2003 with the final payment due October 1, 2032. Annual principal payments range from \$36,000 in 2003 to \$79,000 in 2032. Interest is payable at rates ranging from 1.85% to 5.5%. The Notes are general obligations of the District and are payable from the general fund.

The following is a summary of debt service requirements by year:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending April 30,			
2004	\$ 61,000	\$ 166,168	\$ 227,168
2005	49,000	146,643	195,643
2006	49,000	144,792	193,792
2007	55,000	147,816	202,816
2008	56,000	145,399	201,399
2009-32	2,125,000	2,483,000	4,608,000
Totals	<u>\$ 2,395,000</u>	<u>\$ 3,233,818</u>	<u>\$ 5,628,818</u>

**NOTE 9 – BUILDING LEASE**

The District has constructed a fire station on land owned by the Village of Barrington Hills. The District has entered into a lease agreement dated August 30, 1996, with the Village. Under the terms of the lease agreement, the building was conveyed to the Village upon occupancy by the District. The lease is for a term of thirty years, with options to extend for two periods of 10 years, nine periods of five years each, and one period of four years.

Annual rent payments of one dollar per year are due to the Village in advance on the first day of each lease year. The building is reflected as an asset under capital lease in the general fixed asset account group for financial statement purposes.

**NOTE 10 – RISK MANAGEMENT**

The District paid a portion of the Village of Barrington's cost to be a member of the Illinois Municipal Risk Management Agency (IRMA). IRMA provides coverage for commercial general liability, workers compensation, personnel accident, vehicle liability, and property damage. Other small commercial coverage is separately purchased from private insurance companies. Settled claims for these risks have not exceeded insurance coverage for the past three years and there have been no significant reductions in insurance coverage.

ANNUAL TREASURER'S REPORT  
FOR THE BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT  
FOR THE YEAR ENDED APRIL 30, 2003

RECEIPTS SUMMARY: Property Taxes \$1,612,427; Replacement Tax 6,894; Interest 50,585; Foreign Fire Tax 13,505; Ambulance User Fees 194,092; Fines and other 7,580.  
TOTAL RECEIVED: \$1,885,083.

COMPENSATION SUMMARY: Thomas Gooch \$1,500; Thomas Long 1,500; John Hipsky 1,500; Paul Heinze 1,500; David Stringham 1,500; Gloria Peterson 250; Michelle Jennings 250; Wade Kojima 1,500; Janet Crane 2,725.  
TOTAL COMPENSATION: \$12,225.

DISBURSEMENTS SUMMARY: Village of Barrington \$1,636,786; American National Bank & Trust/Bank One 102,698; Cowlin, Curran & Coppedge 14,467; Dam, Snell & Taveirne, Ltd. 6,054; Door Systems 3,333; Mid American Energy 10,087; Sente & Rubel Architects Ltd. 7,237; Windfall Enterprises, Inc. 2,502; All other disbursements less than (\$2,500) 18,056.  
TOTAL VENDORS: \$1,801,220.

SUMMARY STATEMENT OF CONDITION-MODIFIED ACCRUAL BASIS  
(Excerpted from the Comptroller's Report)

	General	Special Revenue
Revenue	\$1,043,710	\$835,904
Expenditures	(1,070,694)	(785,857)
Other sources-Bond proceeds	1,300,000	-
Excess (deficiency)	1,273,016	50,047
Fund balance-beginning	1,167,432	531,305
Fund balance-ending	\$2,440,448	\$581,352

Subscribed and sworn on this 15<sup>th</sup> day of December, 2003.

John Hipsky

Treasurer

I, Thomas W. Gooch, Secretary of the Barrington Countryside Fire Protection District, Lake, Cook and McHenry Counties, Illinois do hereby certify that the above is a true copy of the Annual Treasurer's Report for the fiscal year ended April 30, 2003.

Thomas W. Gooch

Secretary